

SEPTEMBER 3, 1984

\$1.75

TIME

Ferraro Fights Back

DAZZLE IN DALLAS
The Party Had
A Bash





TWO TOUGH OUTFITTERS! FORD BRONCO II AND EDDIE BAUER.



SPECIAL EDDIE BAUER BRONCO II

Two names known for toughness get together—in Ford's special Eddie Bauer Bronco II.

Like all Bronco's, Bronco II is field-tested... built Ford tough, with husky frame and Twin-Traction-Beam suspension.

Get it together—Buckle up!

sion. Eddie Bauer survival gear has been field-tested too...right to the top of Mount Everest!

The Eddie Bauer Bronco II is outfitted for all outdoors—with unique interior and exterior trim plus an optional flip-away spare tire carrier. Free Eddie Bauer top quality gear bag and map folder included, plus

scheduled maintenance and a limited warranty for 24 months/24,000 miles, whichever comes first, excludes tires, fluids, accidents or abuse.

Trimmer Bronco II is fun to drive, easy to park and maneuver... with a V-6 engine standard. Seats 4 in comfort, with split fold-down rear seats for extra cargo.

Eddie Bauer Bronco II
—It's a brand-new kick
in survival gear!



COVER: Ferraro discloses her finances 14 and eagerly resumes the campaign

After ten grueling days in the national spotlight, Ferraro recoups in a masterly press conference. The candidate puts to rest questions about her husband's income taxes, but lingering uncertainties about family finances could continue to haunt her this fall. The Democrats lose precious time and momentum but hope the worst is behind them. See NATION.



NATION: The Dallas extravaganza ends with a triumphal renomination 28

A perfectly scripted convention brings no surprises but whets Republican appetites for four more years. ▶ Megaparties and less festive affairs suggest what Dallas is really all about. ▶ Reagan in an interview muses about his party's future and envisions a "historic" realignment. ▶ A reader's guide to the Republican rivalries—class of '88.



WORLD: U.S.-Soviet relations enter a new era of light action and heavy words 48

Reagan's "bombing" joke, a debate over the 39-year-old Yalta agreement, and rumors about Chernenko's mysterious disappearance from public view assume uncommon importance in the absence of real dialogue between the two superpowers. ▶ The U.S. is talking seriously to the Sandinistas. ▶ Filipinos turn out in strength to honor Benigno Aquino.



58 Economy & Business

Some high-tech firms meet hard times in Silicon Valley. ▶ Prudential's remedial training. ▶ A league's new game plan.

78 Sport

Soviet-bloc athletes surpass more than 20 Olympic records at the Moscow-sponsored Friendship '84 and the Budapest Grand Prix.

71

Press
For NBC's Chris Wallace and other TV floor reporters, the Republicans' no-surprises convention means having to hustle.

80

Books
Josephine Herbst is revealed as a radical with one great enemy: herself. ▶ Françoise Sagan abandons the *haut monde* for the low road.

76

Living
As Trivial Pursuit sweeps the country, the game's creators are hard at play devising puzzlers for another edition.

84

Art
In Washington, an excellent show surveys the Orientalist movement that swept 19th century painters, writers and explorers.

77

Law
The De Lorean acquittal renews doubts about a common tactic of undercover stings: the use of criminals as key witnesses.

86

Religion
The Vatican, worried about the blending of Marx with Jesus, summons Brazil's top liberation theologian for interrogation.

8 Letters
66 Environment
67 Education
68 People
83 Cinema
86 Milestones

Cover:
Photograph by Ted Thai

"I just got my first A in math. Mom doesn't want me to change schools anymore."

*—Michelle Garcés, 7th grade,
Blackstock Jr. High, Port Hueneme, CA.*

When Michelle Garcés started 7th grade last fall, she had the math skills of an average third grader. Her reading skills weren't much better; she was at the bottom third of the class.

Then, in October, her school started using the Wicat system. An educational computer system that works with kids one-on-one. And helps them even more than a private tutor could.

In seven months, her math skills were at the 7th grade level, and she took home the first math A she'd ever gotten. In reading, she'd moved to the top third of her class. Of course, Michelle's not the only one. Her entire class used the Wicat system. Another class didn't. In April, they took the California State Objective Mastery Test. 90% of the class who used Wicat passed; only 64% of the other class did.

The Wicat system. It offers the only complete math, reading, and language arts curricula for computer-assisted

education. Developed by a group of the world's best educators, the program covers the needs of students at all skill and ability levels.

As you'd expect, Michelle's parents couldn't be happier. Neither could

Michelle, who says: "I guess I'm really pretty smart."

If you'd like to know more, call us at (801) 226-8026.

We'll send you full information.

And show you just how good an education can be.

WICAT SYSTEMS



A Letter from the Publisher

The nation's two major political parties dominated the news last week: Republicans celebrating the Reagan renomination in Dallas and Democrats concerned with the Ferraro family finances. In each case, TIME interviewed the principals out of the limelight, in surroundings that encouraged both spontaneity and frankness.

New York Bureau Chief John Stacks first covered Geraldine Ferraro last spring, when she was still a Queens Congresswoman. For this issue, he and Correspondent David Beckwith talked for an hour with the vice-presidential candidate and her husband John Zaccaro. Recalls Stacks of the reunion: "Less than four months ago, a visit to Geraldine Ferraro's home in Queens was like a visit to any upper-middle-class dwelling. The dog roamed around the house. Ferraro was busy but not harassed. Her husband was gracious and relaxed." This week Stacks found Secret Service agents prowling the grounds, and a house full of aides, accountants and lawyers. A Plexiglas booth had been installed in the front yard to house the night guard. "The dog," Stacks reports, "is still roaming the house, although Missy has developed hip dysplasia. That has the candidate almost as worried as her tax situation. Representative Ferraro may seem as peppy and bright as before, but she has the look of someone who has been through an ordeal. Zaccaro, always a bit reticent, is more so now, his view of the press soured. Yet the



Beckwith, Zaccaro, Ferraro and Stacks

Queens couple remain cordial, hospitable and eager to tell their story."

A newly nominated, newly ebullient President Reagan was also eager to tell his story, in this case to Washington Contributing Editor Hugh Sidey. Sidey has had more than 200 interviews with seven incumbents, starting with Dwight Eisenhower in 1957. "Talking to a President should always be memorable and interesting," says Sidey. "If it isn't, the reporter has a problem, not the President. It never ceases to fascinate me when I come into the presence of a President and realize anew that in a world of 4 billion souls, this man has more power than any other single person. When I finally get through the protective devices and the phalanxes of guards and aides, I am always a little concerned at how fragile and vulnerable the Chief of State appears—just like any other human." Says Sidey of his twelfth interview with Reagan, conducted in the President's suite in Dallas' Loews Anatole Hotel, 26 stories above the convention uproar: "It was one of the best I've had with him. Reagan's juices were flowing; he looked and moved like a man of 40. For half an hour, the political romantic painted his ideas on the grand canvas of a campaign, uninhibited by details and everyday, gritty reality."

John A. Meyers

PUT YOUR HEADS TOGETHER OVER SOME GREAT HOME IMPROVEMENT IDEAS. FREE.

Carpet, Fiberglass Insulation, Gypsum Board, Hardwood, Siding, Ruxing, Oriented Strand Board, Highboard, Malt, Screen, Fencing, Shelving

You'll find some of the most creative home improvement ideas anywhere in the brand new fall edition of *Great Possibilities*[®] magazine. It's 32 pages full of advice and how-to's. And it's yours free—from Georgia-Pacific.

Starting September 15 you'll find *Great Possibilities* wherever Georgia-Pacific products are sold: at over 10,000 Georgia-Pacific Registered Dealers and Home Centers around the country. But hurry—supplies are limited, and they go fast.

Great Possibilities is yours from Georgia-Pacific, America's largest building products company. We do more than anyone else to help people improve their homes. Because at Georgia-Pacific, we don't think "do-it-yourself" should have to mean "do-it-alone."



For the location of the Georgia-Pacific Registered Dealer nearest you, call 800-447-2882 toll-free (except in Alaska and Hawaii). In Illinois, call 800-322-4400.

Great Possibilities is a registered trademark of the Georgia-Pacific Corporation. You Can Build On Our Name is a trademark of the Georgia-Pacific Corporation. © 1984 Georgia-Pacific Corporation.

YOU CAN BUILD ON OUR NAME.[™]

Georgia-Pacific



GOURMET ON THE GO.

GREAT MEALS IN MINUTES lets you prepare gourmet meals from scratch in 60 minutes or less.

Now you can enjoy delicious, wholesome meals every day, no matter how hectic your schedule.

To today's active woman who's going places, TIME-LIFE BOOKS says: "Bon appetit!"

Now you can lead your busy lifestyle and still find time to cook like a gourmet for yourself, family and friends. In fact, GREAT MEALS IN MINUTES shows you how to prepare complete gourmet menus in the time it usually takes to bring home takeout food!

New cookbook convenience

Here is a cookbook series for the woman who has no time to mull over complicated, hard-to-follow recipes. Simple, step-by-step instructions appear on two facing pages, to save you time and effort. A complete grocery shopping list and necessary cooking equipment are printed on the same two pages. You'll see at a glance just what you need and what you have to do.

You'll enjoy a dazzling variety of exciting menus built around



Savor your introductory volume, CHICKEN AND GAME HEN MENUS, FREE for 10 days.

If the order card has been taken, mail this coupon to: TIME-LIFE BOOKS, Time & Life Building, 541 North Fairbanks Court, Chicago, IL 60611

YES! I'd like to examine *Chicken & Game Hen Menus* as my introduction to GREAT MEALS IN MINUTES. Send it to me for 10 days' examination, along with future volumes under the terms described in this ad.

4DASU6

Name (Please print)

Address

City State or Province Zip or Postal Code

All orders subject to approval.

main dishes like chicken, fish and pasta. And the recipes come from many of today's most inspired cooks—like Judith Olney, Perla Myers and Bert Greene.

Practice the art of gourmet cooking on the go—FREE for 10 days

Try *Chicken and Game Hen Menus* free for 10 days. See how quickly and easily you can prepare any of its 27 delectable menus... orange-and-ginger marinated game hens... sauteed

chicken with tart green grapes... chicken teriyaki... and more. If you decide to keep it, pay just \$9.95 (\$12.95 in Canada), plus shipping and handling. We'll send you future volumes, one at a time, approximately every other month. Each is \$9.95 (\$12.95 in Canada) plus shipping and handling*—and comes on the same 10-day free-examination basis. There is no minimum number of books you must buy. You may cancel any time by notifying us. If you decide not to keep *Chicken and Game Hen Menus*, return it within 10 days under no further obligation.

Future titles include *Chinese Menus*, *Brunch Menus*, *American Regional Menus*, and more. These are hardcover books, beautifully illustrated with color photographs of every menu.

Send for *Chicken & Game Hen Menus* today—and add the art of gourmet cooking to your busy lifestyle!

Detach the postage-free card to order, or write to Time-Life Books, Time & Life Building, 541 North Fairbanks Court, Chicago, IL 60611.

*Price subject to change.



TIME LIFE BOOKS

GOURMET MEALS IN TAKEOUT TIME.



Great Meals
IN WEEKS

Great Meals
COOKBOOK

Flamed Chicken with Mushrooms
Bulgur with Aromatic Vegetables
Tomatoes with Chopped Herbs

Letters

Olympic Gold

To the Editors:

The 1984 Summer Olympics were innovative, entertaining, safe and debt free [OLYMPICS, Aug. 13]. Peter Ueberroth, the man behind it all, should be Man of the Year for his contribution to world unity and the U.S.'s bright new image.

Terry L. Varvel
Corona, Calif.

The Olympic Games were so inspiring that they make me think I can do anything if I work hard enough.

Linda Morgan
Cadiz, Ohio

Your stories on these dedicated, disciplined, clear-eyed young athletes assure me that all is well.

Thomas C. Gordon
McCloud, Calif.



Watching Mary Lou Retton perform a perfect 10 was as exciting as seeing the Super Bowl.

Patry Wood
Oreland, Pa.

Carl Lewis is super. We should run him for President while he is still hot.

Rollin C. Williams
Salem, Conn.

The Lewis copyright mark on your cover photograph reflects the true character of your subject. Lewis is apparently out for himself. A wrierther cover subject would have been the U.S. men's gymnastics team or Gabriela Andersen-Schiess. They, not Lewis, are true Olympians.

Alec Haverstick
Short Hills, N.J.

Lewis may tie the immortal Jesse Owens by winning four Olympic gold medals, but the brash, boastful Lewis will never approach Owens when it comes to class, dignity and character.

Larry Bauer
Cleveland

Lewis must have set still another record. Has anyone else made the cover of TIME twice in 14 days?

Edgar A. Rist
Dundee, Fla.

Yes, but Lewis is the first athlete. Other double exposures in a fortnight: Richard Nixon, Lyndon Johnson, Spiro Agnew, Henry Kissinger, John Dean, Gerald Ford, Jimmy Carter and Ronald Reagan.

All during the Olympics I delighted in watching my children play Mary Lou Retton and Bart Conner.

Margaret V. Kritzler
Wilmette, Ill.

As a South African living in the U.S., I was thrilled to watch the Games. Unfortunately, my countrymen were denied the privilege of competing. Olympic officials should consider the economic support that South Africa provides its neighboring black countries, for whom the red carpet was laid out in Los Angeles. Perhaps Seoul in 1988 will welcome us.

Maurice P. Joffe
Boston

The full-page photo of fourth-place Swimmer Kim Linehan being comforted by her father gripped my heart. In my eyes, Kim is a winner, and so is TIME for printing such a touching photo.

Kate L. Steele
Indianapolis

Although the ponytails are similar, the figure on the balance beam in your photograph is Kathy Johnson, not Julianne McNamara.

Amy Allen
Jamestown, N.C.

TIME did indeed mix up the ponytails.

I disagree with your criticism of ABC's Olympic coverage. It is wonderful to see millions of Americans, including the broadcasters, supporting the home team.

Nikolett Null
Chicago

ABC's coverage has been reprehensible. Dominated by a deeply ingrained provincialism, the network showed disdain for competitors not vying directly with U.S. athletes and for sports not familiar to the American public.

Ricardo Gutiérrez Moutat
Atlanta

I am amused by your criticism of ABC's Olympics commentators for not describing technical details in depth. In Britain the BBC announcers made practically no informational comments. On one occasion I did hear a commentator explain the difference between one rowing event and another. But he immediately apologized, saying he had not meant to insult the intelligence of his audience.

Victoria Chandler
Milledgeville, Ga.

Nixon, a Decade Later

More of us should take Richard Nixon's advice and "never look back" [NATION, Aug. 13]. If Americans continue to harbor harsh feelings for Nixon, they will be ignoring one of the most perceptive political thinkers of our time.

Nora L. Gibson
San Anselmo, Calif.

"Never look back" is a good philosophy for Nixon. If Americans look back, they will remember what a shabby, paranoid scoundrel Nixon really is. If he looks back, he will not be able to look at himself in the mirror.

Arthur Ness
Prairie du Sac, Wis.

Richard Nixon's great accomplishments are woven like a golden thread through the fabric of the past 37 years. Any unbiased observer would see his career as a lifetime of service to a country that, you imply, would just as soon disown him.

Janet Huston
Oak Lawn, Ill.

Richard Nixon's unpardonable crime was robbing America of his great potential.

Marian Hood-Tilley
Ripley, W. Va.

I protest your use of the quote from Robert Sam Anson's book *Exile: The Unquiet Oblivion of Richard M. Nixon*, in which Nixon fumbles for words when asked what he is most sorry about. As Anson tells the story, Nixon granted an interview to his former aide Diane Sawyer. He had every reason to believe that the interview, which would be aired on CBS, would be a friendly exchange. Sawyer pressed him on matters that she knew would catch him off base. I interpret his hesitant speech as reflecting dismay that she would violate the implicit terms of the interview by bringing up Watergate. Nixon did not know how to reply to a hostile line of questioning from a friend.

William L. Denton
San Francisco

I am sick and tired of hearing about Nixon's enormous crimes. Americans should realize that their moral indignation against one of the ablest Presidents in modern U.S. history is viewed with great amusement by the rest of the world.

BaSaw Khin
Tucson

If Nixon were the candidate this November, I would vote for him.

Donald McGinness
Harlingen, Texas

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

Diet Quiz

Which has more calories (and alcohol):

1. 5 oz. white wine?
2. 5 oz. Bacardi® rum & diet Coke®?
(1 oz. Bacardi, 4 oz. diet Coke)



According to U.S. Dept. of Agriculture data, a 5-oz. serving of white wine contains 121 calories. It has an alcohol content of about 12.5%.



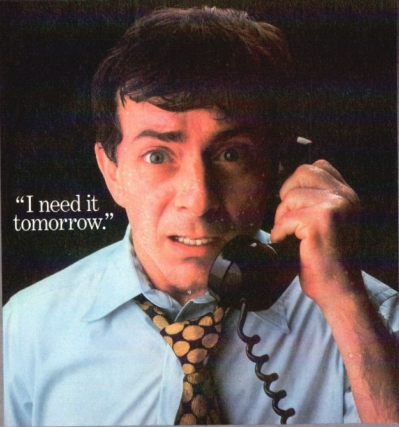
Based on data from the same source, a drink made of 1 oz. 80-proof Bacardi rum and 4 oz. diet Coke has only 66 calories. And its alcohol content is just 8%. So if you chose Bacardi and diet Coke, you're a winner.



BACARDI® rum.
Enjoy it
in moderation.

BACARDI AND THE BAT DEVICE ARE REGISTERED TRADEMARKS OF BACARDI & COMPANY LIMITED © 1984 BACARDI IMPORTS, INC., MIAMI, FL. RUM 80 PROOF. DIET COKE IS A REGISTERED TRADE MARK OF THE COCA-COLA COMPANY.

TEN YEARS AGO, CHANGED THE WAY A NOW, WE'RE GOI



"I need it
tomorrow."

One of the great things about great inventions is that they tend to come along just when they're needed most.

Federal Express is a good example.

When American business needed a truly reliable way to send important packages and papers overnight, Federal Express was

ready for American business. But Federal Express did more than fulfill an existing need. It actually helped create a new way of doing business in America.

And today, we're going to do it again.

Introducing ZapMailSM: the two-hour door-to-door duplicate.

ZapMail may be the most incredible service we've ever offered. You use it to send high-quality duplicates of your important original letters, memos, charts—almost anything up to 11"x14"—to thousands

FEDERAL EXPRESS AMERICA DID BUSINESS. NOW WE'RE GOING TO DO IT AGAIN.

of communities, in two hours.

ZapMail is as easy to use as dialing 1-800-238-5355.

When you call, a Federal Express courier will come pick up your ZapMail and transmit a copy of it to another courier, who'll deliver it.

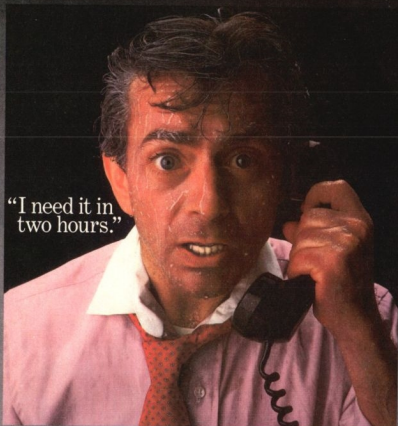
All in only two hours.

To get more information on ZapMail, call us at 1-800-238-5355 or send in the coupon.

But if you need to use ZapMail right now, you can start today.

And, ten years from today, you'll wonder how you ever did without it.

"I need it in two hours."



For a free kit of ZapMail service materials, send to: Federal Express Corp., P.O. Box 727, Dept. X, Memphis, TN 38101-9976. 769 1

Name _____
Title _____
Company _____
Address _____
City _____
State _____ Zip _____
Phone # _____



**FEDERAL EXPRESS INTRODUCES ZAPMAIL.
THE TWO-HOUR DOOR-TO-DOOR DUPLICATE.**



WHEN AMERICAN BUSINESS TAKES A BREAK IN THE MIDWEST,
AMERICAN BUSINESS RELAXES WITH HILTON.

ILLINOIS

Aurora
Hilton Inn
Chicago
Arlington Park Hilton
Conrad Hilton
Hilton Inn of Oak Lawn
Hilton at Hyde Park
North Shore Hilton (Skokie)
O'Hare Hilton
Palmer House & Towers
Cullinsville
Hilton Inn

INDIANA

Fort Wayne
Airport Hilton Inn
Indianapolis
Airport Hilton Inn
Indianapolis Hilton

IOWA

Des Moines
Airport Hilton Inn
Sioux City
Sioux City Hilton

KANSAS

Garden City
Hilton Inn
Wichita
Airport Hilton Inn
Hilton Inn East

MICHIGAN

Ann Arbor
Briarwood Hilton
Bellaire
Hilton Shanty Creek
Detroit
Airport Hilton Inn
Northfield Hilton
Plymouth Hilton Inn
Troy Hilton Inn
Grand Rapids
Airport Hilton Inn
Lansing
Hilton Inn

MINNESOTA

Minneapolis
Hilton Inn
MISSOURI
Kansas City
Airport Hilton Plaza Inn
Hilton Plaza Inn
St. Louis
Bel Air Hilton
Park Terrace Airport Hilton
Springfield
Hilton Inn of the Ozarks

NEBRASKA

Lincoln
Lincoln Hilton

OHIO

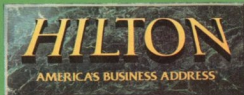
Akron
Hilton Inn West
Quaker Square Hilton
Cincinnati
Hilton Inn (Sharonville)
Terrace Hilton
Cleveland
Hilton South
Columbus
Hilton Inn East
Hilton Inn North
Dayton
Daytonian Hilton

SOUTH DAKOTA

Rapid City
Hilton Inn

WISCONSIN

Lake Geneva
Hilton Inn
Milwaukee
Hilton Inn



FOR RESERVATIONS, CALL YOUR LOCAL HILTON RESERVATION SERVICE.

IF THEY FAIL, WE ALL FAIL.



On Sept. 4, the ABC Television Network will set aside an entire evening of programming for an unprecedented 3-hour investigation of the shocking decline of our public schools.

You'll experience the distractions, pressures and economic realities that are handicapping our students.

You'll meet wonderful teachers who are frustrated and others who are uninspired and even unprepared.

You'll witness the effects of eroding support from parents and communities.

The picture that emerges from across the country is often moving, sometimes frightening and, in the end, hopeful.

"TO SAVE OUR SCHOOLS, TO SAVE OUR CHILDREN"

with Closeup correspondent Marshall Frady and host Peter Jennings

abc ABCNEWS CLOSEUP · TUES. SEPT. 4 8PM/7PM
CENTRAL

Skill. Pride. Know-how.

That's what it takes to be the best. And build the best. At General Motors that means continuous training.

We start off with the best people. We give them the best tools. Computers. Robots.

Technology so new we had to invent much of it ourselves.

It's a tough course. Eight hours a day. Five days a week. Six months, full time. But our people pass the test.

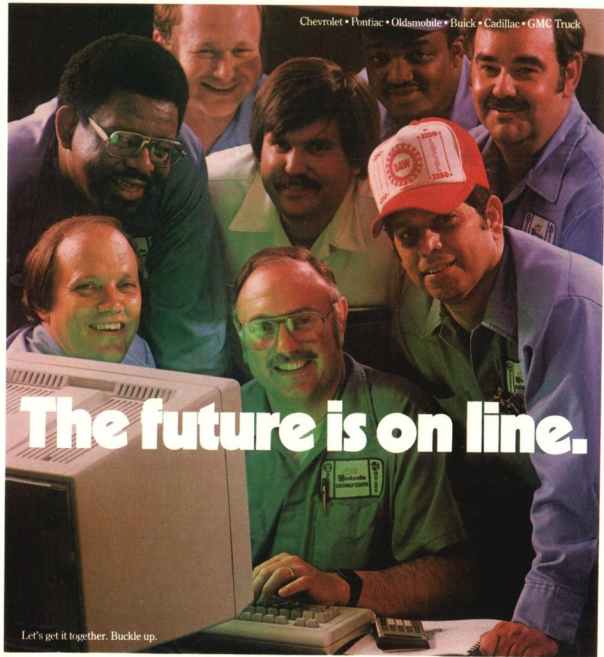
Then, and only then, do they go back to the line. And build cars that will pass your test.

We believe in taking the extra time, giving the extra effort and paying attention to every detail. That's what it takes to provide the quality that leads more people to buy GM cars and trucks than any other kind. And why GM owners are the most loyal on the road.

That's the GM commitment to excellence.



Chevrolet • Pontiac • Oldsmobile • Buick • Cadillac • GMC Truck



The future is on line.


Let's get it together. Buckle up.

Nobody sweats the details like GM.



Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

11 mg "tar," 0.7 mg nicotine av. per cigarette. FTC Report Mar '84



Marlboro Lights



The spirit of Marlboro in a low tar cigarette.

TIME/SEPTEMBER 3, 1984

COVER STORIES

Show and Tell

Under pressure, Ferraro passes a vital test

CAMPAIGN



The anxiety was high. The suburban living room was still. The press conference finally flickered on the television set, live from New York. If Geraldine Ferraro was going to humiliate

herself, and doom the Democrats' chances, at least Walter Mondale would be able to witness the dreadful spectacle at home, in Minnesota, alone except for his wife Joan and a couple of aides.

Ferraro sat before a thicket of microphones, three dozen TV cameras and 200 inebriated reporters in a hotel ballroom near Kennedy Airport, ready for one of the memorable political press conferences of modern times. The questions, about her family finances and personal ethics, were complicated and often barbed, yet she managed to seem neither combative nor defensive. Her manner was precise and serious, but relaxed and good-humored too. Her answers were lucid and carefully organized, anecdotal and unpretentious. In North Oaks, Mondale stared at the TV image of his running mate, transfixed by her grace under extraordinary pressure. "The tone is right," he marveled. "The honesty is coming through. Her integrity shows. Her integrity shows."

When he stepped out into the fresh air a little later, his sense of release was palpable. "I've never seen Mondale so relieved," said Campaign Chairman James Johnson. "He had an enormous amount riding on that." The worst seemed past and, even more important, Mondale felt his instincts about Ferraro had been vindicated. After her "superb performance," he told reporters, "I'm even more confident that I made the right choice. There has been a clear demonstration here of leadership, of strength, of candor, of values that the American people will respond to favorably."

Ferraro certainly showed that she has an astonishing knack for handling journalistic inquisitors. The reporters in New York were as jumpy and eager as hounds. For 18 hours they had been able to examine the financial records of Ferraro and her husband John Zaccaro, a real estate executive. The candidate was open to a slew of questions about her compliance with congressional finance rules. In 1978, during her first run for Congress, Ferraro's husband and children had loaned her \$134,000; federal election law permits only \$1,000 from each family member.

The Federal Election Commission notified her of the violation; to repay the loan, Ferraro arranged through her husband to sell her share of a Manhattan building. The property was bought by a middleman, then repurchased by Zaccaro—a curious transaction resulting from Zaccaro's apparent ignorance of campaign finance laws. Then the couple miscalculated their profit on the deal and ended by owing the IRS \$29,709 in back taxes plus interest of \$23,750 (see following story).

Equally intriguing to the press was Ferraro's apparent misinterpretation of the 1978 Ethics in Government Act, which requires members of Congress to disclose their spouses' income and assets if they stand to benefit from them, as well as their personal assets. Ferraro, who is a lawyer, had never disclosed Zaccaro's; she says she believed their separate careers entitled her to an exemption. Finally, Ferraro would have to answer for her husband's sometimes haphazard and occasionally controversial business dealings.

After a technical question-and-answer session between reporters and a team of Ferraro's lawyers and accountants, the candidate arrived, got a last-minute briefing from her aides on the thrust of the queries, and sat down before the microphones, only to find that the sound system was not working. Ferraro retreated to a back room and paced, talking to no one as she waited for the most critical single political moment an American woman has ever faced. Not only was her vice-presidential candidacy in jeopardy, but so, in a fashion, was much that she portended for women and their political hopes. The Republicans had tossed out the question again and again since her nomination: How could a three-term Congresswoman from Queens be expected to stand up to the rigors of national office? Now the whole country wondered: Could Geraldine Ferraro take the heat?

Ferraro returned to the room in ten minutes, the sound system repaired. When she spoke, no nervousness showed. "I released more than anybody has released in the history of this country," she boasted of her financial disclosures. Ferraro quickly and effectively established that she was fluent with the facts and that she would not be pushed around. "Let's stop there first of all and correct that," she

With grace and grit, the candidate took questions from 200 reporters for 100 minutes





Photograph for TIME by P.F. Bentley—Photoreporters

said to the opening questioner who stated that money from her husband's business financed her 1978 campaign. "My money paid for my campaign..." When she was asked a complex and tendentious question by a reporter from the right-wing daily Washington *Times*, she maintained her humor. "I knew I shouldn't have called on you," Ferraro said—and then answered.

Not once did she obviously dissemble, or weasel away from a question. But she did make some wise tactical retreats, giving ground as necessary. For instance, a questioner asked about her nominal positions in various Zaccaro business entities: sometimes she is listed as treasurer, sometimes secretary, sometimes vice president. "It's sloppy, I'll grant you that," Ferraro said. She even managed to be self-deprecating and defiant at the same time. "I probably brought it all on myself," she said, "by promising more [disclosure of Zaccaro's finances] than I was able to deliver... But I ended up delivering it anyway, didn't I?"

Her flip humor continued to flash. Has all the attention on her finances hurt the Mondale campaign? "Well, let me put it this way," Ferraro said, "it has not been a positive thing." Her new accountants "hold themselves out to be experts. I sure hope they are. Just kidding, guys."

When the minutiae were beyond her, she did not hesitate to summon one of her lawyers from the wings, and later an accountant. As the accountant started whispering information to her, she showed impeccable instincts: "Irwin," she asked, "why don't you tell them?" She described intimate family decisions to explain some of her actions. In 1971, after her husband's brother and father had died of cancer in quick succession, Zaccaro suggested she get a license "in case something happens to me," to keep the business going and, you know, take care of our kids."

When one reporter suggested that her family lives high on the hog, Ferraro's reply was angled perfectly to catch the prevailing political winds. "You're seeing people who work very hard. We're not flashy—we buy property and we maintain it, and it appreciates. That's what Ameri-

“ I PROBABLY BROUGHT IT ALL ON MYSELF BY PROMISING MORE THAN I WAS ABLE TO DELIVER. ”

“ I CAN GIVE YOU A SPEECH ABOUT HOW HARD IT IS FOR WOMEN TO RAISE MONEY TO RUN FOR OFFICE. ”



ca is all about." When asked if she was being held to a double standard because of her sex, she did not rise to the bait. Nor at other opportunities did she hide her feminism. When she went to a bank to finance her first House campaign in 1978, Ferraro revealed, she was aghast to learn she needed Zaccaro to co-sign for a loan. In order to establish her technical financial autonomy and thus avoid such humiliations, Zaccaro and she began filing separate tax returns. "I can give you a speech about how hard it is for women to raise money to run for office," Ferraro said.

She sounded frank and loving about her husband. "He is a very private person,

and he's not the candidate—I am." Before finally agreeing to release his tax returns, "we got through a whole discussion, and... his reaction then was, 'Gerry, I don't want to hurt you, you know—here they are.'" Still, when a defense of Zaccaro would have been foolish, she demurred. After learning early this year that he had, in 1979, bought back her half-share in the Manhattan building, she said, "Why did you do it?"... He said, "It was legal." And I said, "Sure it was, but it doesn't look so hot." But you know—what can I tell you?" She made a *que sera* gesture of bemusement an actress would have admired.

When it came to explanations of the financial disclosure exemption she has claimed as a House member, however, Ferraro was earnest but unpersuasive. Her tax returns report income from Zaccaro's business, and he pays the property taxes on all four of their homes. Yet to claim an exemption, a House member must get no benefit from a spouse's wealth, nor even have "the possibility of an inheritance from the interest." Ferraro's basic argument is that because she and Zaccaro have separate incomes, his wealth and its sources are irrelevant to her congressional performance.

If the criteria for an exemption are really so strict that she does not merit one, Ferraro suggested, then the other 17 House members who claim it should be set right, too. "You can carry it to the full extreme," she said, and the law would require that "you have two separate refrigerators." The exemption criteria do in-



Following Ferraro's "superb performance" on TV, Mondale steps outside reeking of relief



BENTLEY—PHOTOREPORTERS

“ HE IS A VERY PRIVATE PERSON, AND HE'S NOT THE CANDIDATE—I AM. ”



“ IT DOESN'T LOOK SO HOT. BUT YOU KNOW—WHAT CAN I TELL YOU? THE POINT IS THAT IT WAS LEGAL. ”

deed seem impossibly narrow. Says a male Mondale adviser: "It's a man's law, written by men with men in mind." The system isn't set up to deal with two-income families." But sensible or not, the rules are clear, and have been on the books for several years. Ferraro said at the press conference that she had read those rules, "believe it or not, as recently as last May."

Despite losing her way on that issue, Ferraro gradually won over the reporters. One moment showed that she was home free: when she was rather slow in answering a question from *Wall Street Journal* Editorial Writer Gregory Fossedal, and Fossedal shouted at her, "Answer it!" he was booed by fellow journalists.

Francis O'Brien, a Mondale aide who is managing the Ferraro damage-control operation, let the session drag on and on, correctly figuring that the impression of candor would be reinforced by her total submission to the process. Finally, O'Brien suggested that things wind up in five more minutes. "How about 15 minutes?" Ferraro countered. But even before that time limit, the questions petered out. After an hour and 40 minutes, longer than any press conference reporters could recall, it was over. Backstage, Ferraro hugged every aide and adviser in sight.

The rest of the week had its small ups and downs, but her public triumph sustained her. When Press Secretary Pat Bario was fired, the candidate was magnanimous. "I love her," she said of her ex-spousal woman. "She's terrific. Evidently

there was a little chemistry that didn't work." Ferraro's main campaign event, a speech to 3,000 members of the American Federation of Teachers in Washington, was a cinch to be successful. She is a former teacher and AFT member. "Normally I begin a speech by saying I'm delighted to be here. After this week," she told the cheering, chanting union members, "I have to tell you I am absolutely thrilled."

Zaccaro's week did not finish so buoyantly. In a New York City courtroom on Thursday, he was obliged to explain his questionable performance as the paid, court-appointed conservator of an elderly woman's assets: in the past year Zaccaro borrowed \$175,000 from her funds to use in his business. He reported the loans to a representative of the court, and when notified that he had acted improperly, paid the money back promptly with 12% interest. He did nothing illegal, but the judge could remove him as conservator. Said a New York banker: "He's an honest man with poor judgment."

Zaccaro's troubles are certainly not all his doing. He is an Italian American who owns real estate in New York's Little Italy; questions about any possible underworld ties are constantly asked, as if such a

connection were inevitable. Even the most tenuous bits of information made huge, unfair headlines: a pornography distributor is a tenant in one Zaccaro building; a reputed mobster rents an apartment in a building Zaccaro inherited from his father 13 years ago and immediately sold; an imprisoned swindler once owned a building that Zaccaro managed. TIME learned that U.S. Attorney Rudolph Giuliani asked Zaccaro to his office last Thursday to talk about a 1972 real estate transaction. Zaccaro is only a minor witness in the case, and has cooperated with the Government. Explained the U.S. Attorney: "He is not under investigation." Why, then, was it necessary to interview Zaccaro last week of all weeks? Giuliani, a Reagan appointee, did not elaborate on his unfortunate timing.

The fascination with Zaccaro's finances began two weeks ago, when Ferraro announced that his tax returns would not be made public, as she had promised earlier. "The hesitance to release her husband's tax returns," wrote George F. Will in his syndicated column, "may mean he has not paid much in taxes." Indeed that had been the common suspicion. On an ABC news program, *This Week with David Brinkley*, Ferraro said her husband had relented because "people were jumping to the most outrageous conclusions on a lot of things." Columnist Will, an interviewer on the program, asked if the disclosures would show that her family had paid its fair shares of taxes. Replied Ferraro: "They sure will. And George Will, tomorrow afternoon you're going to call me up and apologize for your column of today."

They sure did—more than 40% out of an average combined income of \$173,000 a year. (Instead of a telephoned apology, Will sent a dozen pink roses and a note: "Has anyone told you that you are cute when you're mad?" Ferraro's reply: "Vice Presidents are not cute.") The couple declared a net worth of \$3.78 million, nearly all of it in real estate. They did not release copies of the IRS forms that Zaccaro files in connection with his businesses. Only those documents, experts say, would depict the full scope of his holdings and financial habits.

By now, however, the public's intuitive judgments of Ferraro are probably more important than particulars. "There will be thousands of facts on the table," says O'Brien, "but only one thing matters: Will the public think she's honest? If so, none of the facts will be remembered. But if they decide she's not honest, then all the facts will be perceived as a mosaic of conspiracy and deceit."

In this respect, Ferraro seemed at least as successful as a previous vice-presidential candidate in a bind. Eight presidential elections ago, a young Re-



Zaccaro outside court

Nation

publican Senator named Richard Nixon went on TV to justify his receipt of political donations—and of a cocker spaniel named Checkers. Nixon, of course, faced only the camera, not 200 reporters, and he had a script. With Ferraro, everything is different, special, more consequential. The stakes are higher because whatever happens to Ferraro happens to a pioneer, a historic figure. Mondale edged close to a complaint about the intense public focus last week. "It may have occurred in the past," he said, "that when a man ran for office, they dragged the wife before the public and went through their records and their businesses the way they have Mr. Zaccaro. It may have occurred, but I cannot remember when."

Ferraro wants desperately to get on with the campaign. Said she at her press conference: "I hope by Sunday, which is my [49th] birthday, we're going to start a new year." But the troubles of the past two weeks may not simply fade away. The House ethics committee could take up the question of her disclosure exemption on Sept. 12 at its final meeting of this congressional session. An inquiry is unlikely, however, since Ferraro is leaving Congress at the end of this term. There is also the Federal Election Commission, which has begun a review of the 1978 campaign loan from Zaccaro.

If investigative interest subsides, the



Feeling spunky and special again, the candidate works a crowd in Washington. "After this week, I have to tell you I am absolutely thrilled."

G.O.P. may try to revive it. As Ferraro knows well, when national figures come under suspicion, the public and press fasten on to the reputed rascals and do not easily let go. There can be a rather voyeuristic zeal about such searches for official wrongdoing, and prosecutory momentum, once begun, is difficult to slow. Bert Lance, Jimmy Carter's budget director, was forced to leave office, tried and found guilty of nothing. So great is the power of stigma, however, that when Mondale tried to make him his campaign director, Lance was forced to step down within three weeks. In addition to making other serious mistakes, Presidential Counsellor Edwin Meese neglected to report a \$15,000 loan to his wife from a friend who later won appointment to a Government post. Meese is still under in-

vestigation by a special prosecutor, and his nomination as Attorney General is on hold. Last June, Congressman George Hansen, an Idaho Republican, was sentenced to five to 15 months in federal prison for not disclosing \$334,000 he and his wife received. His violation of the Ethics in Government Act was more willful and serious, of course, than the infraction Ferraro may have committed: he might be compared to someone who hides income from the IRS, she to someone who files a tax return but makes an undeserved claim. Still, the perception of impropriety can be as ruinous as the real thing.

Politics being politics, many Republicans are de-

lighted by the Democrats' difficulties. Their partisan pleasure may be brief. If the scrutiny Ferraro is undergoing now becomes the new national benchmark, future G.O.P. candidates and spouses will not be spared. Moreover, thoughtful people in both parties are concerned about the longer-term effects. They are worried that post-Watergate laws, combined with informal standards intensely applied by the press, could be creating a glare so fearsome that even scrupulously honest people hesitate to seek public office or accept major Government positions. Ferraro's special candidacy, with all the extra attention it naturally receives, has made the problem plain.

—By Kurt Andersen.

Reported by Robert Ajemian/Washington and David Beckwith with Ferraro

Making the Price Too High

When Geraldine Ferraro was picked as Walter Mondale's running mate, Jeane Kirkpatrick, U.S. representative to the United Nations, praised the choice as "just marvelous." A decade earlier, as a political science professor at Georgetown University, Kirkpatrick wrote a pathbreaking study of gender and power in America (Political Woman, Basic Books). At a meeting with TIME editors last week in Dallas, Kirkpatrick offered an intriguing assessment of the Ferraro controversy and the future of women in American politics:

I think there are interesting issues involved in this case that touch deeply on sex-role problems in our society. On the one hand, there are traditional expectations that men will manage the business affairs of the family and wives will sign on as secretary-treasurer or vice president or whatever their husbands ask them to. It is just as conventionally understood that the husband will then run the business, get the accounts done and pay the taxes. That is standard practice.

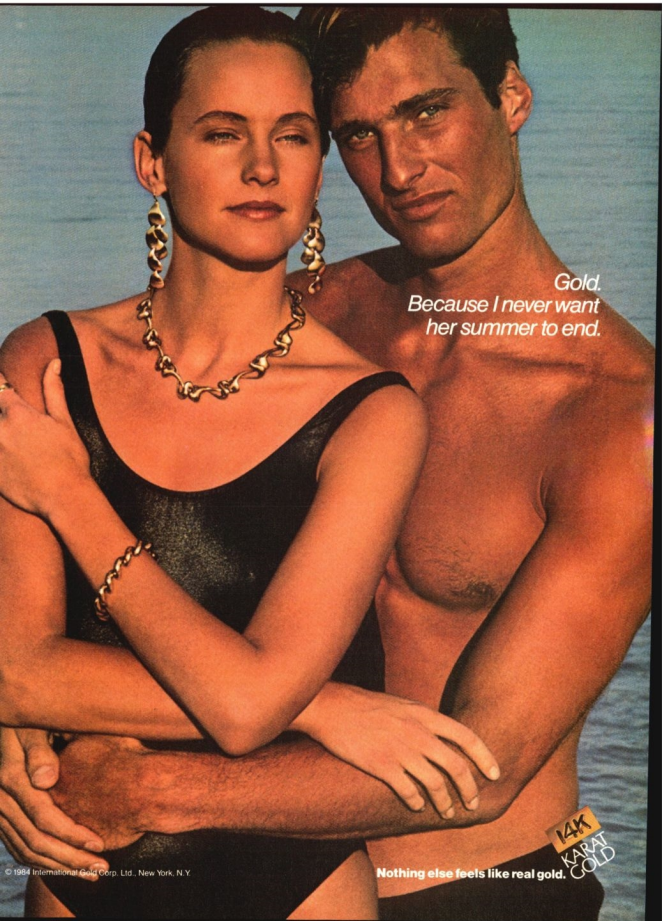
But we have some new practices, too, that assume women are going to be treated as equals and their spouses' business affairs are just as relevant to public life as a man's

spouse's business affairs are. I think we see these roles and expectations coinciding here and creating an interesting problem that is probably damaging for Geraldine Ferraro.

I have had three calls asking me did I report my husband's income on disclosure forms. Nobody ever asked me that before. The answer is yes. I might add a footnote too: academics' finances are not all that interesting.

I don't know how Geraldine Ferraro is going to feel about national politics after this experience. I think the price for participation in high-level politics in our society is very, very high—for both men and women. One lives under continual scrutiny and criticism, much of it unfair. It is a very harsh game, and I do not think women want whatever it is at the end of that particular rainbow badly enough to pursue it. There are already more opportunities for women in politics than there are women ready to pay the price. I do not doubt a woman could be nominated and elected Vice President today, or even President.

We are making the price of power much too high in this society. I worry that we are making the conditions of public life so tough that nobody except people really obsessed with power will be willing finally to pay that price. That would be tragic from the point of view of public well-being. I think that is what is happening to Geraldine Ferraro now.



Gold.
Because I never want
her summer to end.

14K
KARAT
GOLD

Nothing else feels like real gold.

CAMEL LIGHTS

It's a whole new world.



Today's
Camel Lights,
unexpectedly mild.



9 mg. tar, 0.8 mg. nicotine av. per cigarette by FTC method.

Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

More Hurt Than Angry

"I just feel very, very badly for what they've done to him"



After ten grueling days in the national spotlight, Geraldine Ferraro and John Zaccaro took a midweek break at their comfortable home in Forest Hills, N.Y. They were surrounded by their extended political family: accountants, campaign aides, Secret Service agents. In a wide-ranging interview with TIME New York Bureau Chief John Stacks and Washington Correspondent David Beckwith, the candidate and her husband spoke candidly, and heatedly, about what has happened to them. The correspondents' report:

Ferraro seemed fired up by her press conference, eager to get back into the political fight. Zaccaro, who has lost ten pounds in a fortnight, appeared tired. In the rush of events, he had postponed checking into a hospital for a minor hernia operation—an added problem in what Ferraro described as “one of the worst weeks of our lives.”

It had been made so, in Ferraro's view, not by legitimate public interest in her family but by an excess of innuendo, including attempts to link Zaccaro with transgressions by tenants in buildings managed by his firm. Said she: “I think the public is entitled to know whether or not I'm married to Jack the Ripper. I think they're entitled to know whether or not we pay our fair share of taxes. But what I think is wrong is what's going on now. I mean, every day there is another story about another building.” It pains her that such stories lack direct connection to her role in public life—or to anything she has done. Said she: “People have asked about things that took place in 1958. We got married in 1960.”

Troubling her too is an imbalance she detects in the whirlwind of press reports. Among the examples she cited were the screaming headlines in local newspapers about peeling paint and other minor building violations in properties managed by Zaccaro, despite a solid endorsement of his record voiced by a New York City housing official. As she put it: “Over a number of years, P Zaccaro Co. [the firm founded by his father] has managed thousands of buildings, been involved in probably thousands of sales and maybe tens of thousands of leases. With all that volume, if you want to question a lease, you're bound to find one to question. But where do you start, and where do you stop?”

“I know my husband,” she said. “He's a man of integrity, a man of honesty. I think many reporters are trying to be the investigative reporter who has that smash story that wins the Pulitzer Prize. They're going to be disappointed.” Surely they had expected this to be a tough campaign. But, Ferraro admitted, “we never thought this tough. We thought that what they were going to do is focus on me as an individual. Whether or not I am capable of the job of Vice President of the United States. Whether or not I'm the type of person who upholds the trust placed in me by the public.” She feels the concern about Zaccaro has at times conveyed a misleading impression of her own record. For example, the inquiry into her husband's handling of an elderly woman's estate tends to overwhelm her own “100%” record with the aged. “This isn't starting out of nowhere,” she said. “It's

Prize. They're going to be disappointed.”

Starting because people see this as a way to get at me. The way you get at me is you try to destroy my husband. It's not working, and it's not going to work.”



The embattled candidate and her husband take a breather in their Forest Hills, N.Y., home

They expected a tough campaign, but not the kind of microscopic scrutiny they have received.

But Ferraro revealed deep concern that the charges and public suspicion have been unnecessarily hurtful to Zaccaro. As she put it: “I didn't know I was going to subject my husband to this. I just never thought it.” Given what has happened, would she accept the nomination again if she had it to do over? “I don't know,” she replied, explaining that she would have turned it down when offered if Zaccaro had opposed her candidacy. Then Ferraro turned to her husband and asked, “How do you feel about it now?”

Zaccaro replied indignantly, “Who needs it? Who needs it? I'm not the candidate. Why should I be held for all this nonsense, questions about people that I do business with. They have no right to do this. My privacy is ruined.” Ferraro took some blame for the

firestorm over their finances. “I remember John saying at the kitchen table, ‘I don't want my tax return released to the public.’ It was my error.” Why had Zaccaro felt so strongly about this information? From a couch to Zaccaro's right, Accountant Charles Reynolds explained: “There's a competitive disadvantage when people you're negotiating with know your cost basis for properties. The more you know about his position, the more you know about how far he may be willing to come down in price.” Added Ferraro: “He's got partners. You tell me how many people would want to go into partnership with someone who has been asked to have all their information exposed. It's just not done in the real estate business.”

Asked whether they felt angry, Zaccaro drew an appreciative laugh from his wife by answering, “Let's say abused, O.K.?” Then Ferraro responded, “I'm not

angry. I just feel very, very badly for what they've done to him. His mother called up Wednesday night in absolute tears, because some of the newspapers had written terrible things. I used to call my mother every day on the phone. Now I don't want to do it. She said she doesn't think God is listening to her prayers any more. And my kids are on television. That's what hurts. I wouldn't subject other people to all that. You don't feel angry, you feel hurt that they're hurt.”

Despite the emotional costs—and the prospect of a \$50,000 tab for accountants and lawyers (Ferraro: “We're spending a fortune out of our personal monies”)—candidate and husband said they had given absolutely no thought to quitting the race. As she put it: “We've gone through this much, we're in it to stay, and we're going to win. You don't go through a bloodbath like this and then walk away from it.” Zaccaro agreed, emphatically: “They want us to weaken, we don't weaken. Whatever it is, it is.”

Hoping for a Fresh Start

The furor over finances costs the Democrats time and momentum

CAMPAIGN



"Today is the first day of the rest of the campaign."

—Geraldine Ferraro last Wednesday

The mixture of relief and elation evident in that comment was amply justified. Not quite 24 hours earlier, as the Democratic vice-presidential nominee prepared to answer questions about her own and her husband's taxes and finances, it was by no means certain that there would be any meaningful "rest of the campaign." But after Ferraro's bravura performance, the MONDALE-EAGLETON buttons that had sprouted on Republican lapels seemed an exercise in wishful thinking. Some Democrats came close to euphoria; more realistic ones gave thanks that their campaign was still able to roll.

The longer-term effect of the uproar over Ferraro's finances is impossible to judge; it will depend in part on whether some of the questions that her press conference did not entirely resolve continue to dog her. Even assuming, however, that most voters now view the matter as essentially closed and turn their attention to other issues, the controversy was a significant setback for the Democratic campaign, blunting its post-convention momentum and forcing it into a defensive crouch for nearly two weeks. For Ferraro, the affair probably comes out as a wash. She has lost some of the freshness and excitement that she brought to the ticket as the first woman nominated for national office by a major party. Many voters are now likely to see her less as a trail-blazing heroine than as a politician subject to the same kinds of criticism as the males in her profession. Says one Democratic political consultant: "She's human. She's attackable. She's no more Clean Geraldine."

Balancing—or perhaps outbalancing—that consideration, though, Ferraro decisively answered one of the hardest questions she had faced as a newcomer to national politics: How would she behave in a crisis? Veteran politicians of both parties gave her high marks for handling that crisis with unfluffed calm, crisp authority and low-key humor. "She's tough; she put her head down and stuck with it," said Republican Senate Leader Howard

Baker. Tony Coelho, chairman of the House Democratic Congressional Campaign Committee, compared Ferraro to the most successful politician in the U.S. today: "She handled it exactly like Ronald Reagan. Like him, she showed tremendous inner peace." Democratic strategists, jubilant over her performance, intend to encourage Ferraro to take on the heaviest campaign schedule she can manage. Says one Mondale staffer: "If you've got her, flaunt her."

For Walter Mondale, who after all is the head of the ticket, the storm turned out less happily. Though he escaped the

Mondale team, principally by Fritz Mondale himself, to clean this thing up," said White House Political Director Ed Rollins: "The issue that is going to start occurring is how did Mondale make this selection. I just don't think he did all the spadework."

Mondale and his aides, of course, indignantly dispute this charge. Their main point is that all's well that ends well. Ferraro's performance, they contend, fully vindicated Mondale's selection of her and the process by which he reached it. Further, they insist that Mondale did give Ferraro and her husband extensive backstage advice and help in preparing their financial disclosures, and that if the presidential nominee said little in public, it was only because he was confident his running mate could handle the controversy impressively by himself. Nonetheless, Political Analyst Alan Baron concludes that the whole affair "will make her look good, but not him."

During the uproar, the Democrats could win little attention for the case they were trying to make against the Reagan Administration because the issue of Ferraro's taxes and finances dominated the minds of Americans following the campaign. As Mondale put it to reporters last week, "The worst thing is that for about ten days, when I've been trying to deliver a message about the deficits, about Reagan's tax programs and budget-cut programs, the heartache in rural America, defense reform, it's been difficult to get that message out with this [Ferraro's finances] issue around." Immediately after the Democrats met in San Francisco last month,

surveys by Reagan's pollster Richard Wirthlin showed the Republican ticket's lead dropping to as little as 2 points, partly because of the excitement over Ferraro's nomination. Just before the Republicans met in Dallas, it had climbed back to around 15 points in Wirthlin's and most published national polls. The Democrats' dropoff began before the controversy over Ferraro's finances blossomed into a major issue, but that furor certainly did nothing to check the slide.

The damage was not as great as it would have been had the Ferraro episode occurred closer to the election. "It's better to lose time in August than in September," says Mondale Campaign Manager Bob Beckel. "That's when the punching and counterpunching matter. That's when people start to focus."

Even so, the wasted weeks hurt. For one thing, making a persuasive argument against a highly popular President at a



disaster that might have overwhelmed his campaign if Ferraro had defended herself less skillfully, he faces new questions about his leadership ability. Even before her press conference, top-level Republicans were careful not to attack Ferraro directly. Aware that such criticisms would sound like partisan, if not sexist, badgering, they adopted a tone of high-minded regret, shedding political crocodile tears for "poor Gerry." But they were quick to accuse Mondale of selecting his ticket partner after inadequate financial investigation and failing to warn her or prepare himself against questions that should have been easily foreseeable. After the storm had burst, they claimed, Mondale left her to brave it on her own. Nevada Senator Paul Laxalt, general chairman of the Republican campaign, maintained that "Ferraro and her people have been badly served by Mondale. The primary responsibility has to be assumed by the

time of robust economic growth at home and relative quiet abroad was a formidable task for which the full 16 weeks between the Democratic Convention and Nov. 6 would scarcely have been too long. And by now it is getting late, though not yet too late, for some basic tasks that many Democrats concede still have not been accomplished: coordinating the Mondale and Ferraro campaigns, defining a clear set of issues to be pressed, drawing up a target list of the states in which to campaign hardest. "What is their plan?" asks Congressman Coelho. "I don't know. They don't know, either."

For all that, some Democrats express hope that the whole affair will work to the advantage of their ticket. Beckel insists that because Ferraro showed so much spunk under fire, "this netted out as a political plus." One senior strategist asserts that Ferraro's performance instilled in campaign workers across the country a fighting spirit that "sometimes turns certain defeats into victories."

Perhaps. But the most galling thought for Democrats must be that the whole controversy might have been avoided, or at least prevented from reaching the dangerous point that it did, with a bit more foresight and more cooperation between the presidential and vice-presidential nominees. To begin with, the Mondale camp's prenomination review of the finances of Ferraro and her husband John Zaccaro fell short of the rigorous inquisition some other potential vice-presidential choices and their families have been put through.

Howard Baker endured two such investigations, in 1976 and again in 1980, when he was considered as a running mate first by Gerald Ford and then by Reagan. "Dreadful" was the way he described the experiences to TIME editors in Dallas last week. Said Baker: "We gave them ten years of income tax returns, personal worth statements, personal history, medical records and incredible amounts of evidence. I paid Arthur Andersen [a major accounting firm] almost \$10,000 to get that financial stuff up. It was gone over with a fine-tooth comb. We had follow-up questions for weeks and written explanations of particular transactions. Both Ford and Reagan did that."

The Mondale team, by contrast, did not start poring over the records of any potential running mates until Sunday, July 8, eight days before the Democratic Convention was to begin. The reviews began with the records of San Francisco Mayor Dianne Feinstein, Massachusetts Governor Michael Dukakis and San Antonio Mayor Henry Cisneros; Ferraro was added the next day. By Wednesday evening, when Mondale told Ferraro that she was his choice, his aides had had only about 48 hours to examine her records and those of Zaccaro. They missed at least one real estate transaction that Ferraro later conceded "doesn't look so hot." Could they have done a better job if they

had been allowed more time? Says one Mondale aide: "Absolutely."

A more extensive review began after the nomination. Lawyers and accountants reporting to Mondale, including Sheldon Cohen, former commissioner of the Internal Revenue Service, examined the Ferraro and Zaccaro records and helped prepare the financial disclosure that Ferraro was obliged by law to make no later than Aug. 20. Oddly, though, Mondale and his aides admit they cannot recall asking for a specific pledge that Zaccaro would make his tax returns public. They knew that would be necessary, even though it is not required by law, and helped Ferraro draft a statement promising that it would be done; everybody seems simply to have assumed that Zaccaro would go along.

On Sunday, Aug. 12, however, Ferraro announced at an airport press conference in Washington that her husband had refused to release his tax returns. Surprisingly, she had not told anyone in the Mondale camp beforehand. Campaign Chairman Jim Johnson got the news from a staffer at about 10 a.m.; he immediately

would see it that way too. In the end he proved to be right, but only after prolonged anxiety. For all the aplomb that she demonstrated at her press conference, Ferraro had also shown her inexperience as a national candidate; she seemed initially to have little idea of how much doubt and suspicion her husband's secrecy had aroused, and of how badly it was hurting the Democratic campaign.

Given Ferraro's thorniness, will she and Mondale be able to work together in the days ahead? Mondale aides are hopeful, but admit they do not know for sure. Says one: "I think she's learned ten years' worth in the past two weeks." When Mondale phoned to wish Ferraro luck on the eve of her big press conference, she apologized for causing him so much distress and said the whole uproar had been unnecessary. If she can combine that sensitivity with her natural

Des Moines Sunday Register
Des Moines Sunday Register

The Times-Picayune
The Status-Item
Ferraro Report should end issue

The Washington Post
Reagan Defended On Fairness Issue By Gerald Ried

New York Post
\$3,120,000!
The biggest gains in town

GERRY BACK ON THE GRILL TODAY
She'll defend biz deals

700 FLEE MIAMI CRUISE SHIP FIRE

Ferraro says husband will release tax returns
A candidate, she says she will release tax returns to open talk

Reagan Defended On Fairness Issue By Gerald Ried
Reagan Defended On Fairness Issue By Gerald Ried

Send government \$53,459 to cover reporting error

An attempt to end focus on finances

U.S. will not approve in Britain

to be here source says

GOP State I judges

ly phoned Mondale, who could scarcely believe what he heard. One of his aides recalls the mood in the Mondale entourage as being "furious, just furious." The presidential nominee and his advisers, however, agreed that they would only urge, not demand, Ferraro to speed up the release of her own and her husband's tax returns and other data.

One reason for this gingerly approach was that the Mondale team by then had evidence of Ferraro's stubborn independence: she had sternly and successfully resisted efforts to tie her to a whirlwind August campaign schedule that she felt would be premature. Mondale and his aides feared they could not predict how she would react to heavy pressure on the financial disclosure issue. They also insist that Mondale felt confident such pressure would prove unnecessary: he had seen both Ferraro's and Zaccaro's tax returns, was convinced that the couple had nothing damaging to hide, and trusted they

toughness, Mondale aides say, the Democratic ticket could turn out to be quite a team.

Satisfied that the worst was behind him, Mondale at week's end was trying to get his campaign back on track. He canceled plans for a fishing trip and embarked on a round of campaign appearances that opened with a Friday speech in Springfield, Ill. "The idea behind Reaganomics," he said, "is this: a rising tide lifts all yachts." Deriding Reagan's acceptance speech the night before as an exercise in "selective political amnesia," he asked: "Can you imagine a snow job in August? But that's what we had." A crowd of 2,500 whooped and cheered at this evidence of renewed Democratic vigor. But Mondale must have known that, more than ever, he is playing catch-up, and the time for doing so is short.

—By George J. Church. Reported by Sam Allis/Washington and Jack E. White with Mondale

Mistakes and Misunderstandings

Ferraro and her husband disclose taxes, assets and deals

CAMPAIGN



The disclosure last week that her parents were worth nearly \$4 million was news even to Laura Zaccaro, 18. "Mom," she asked Geraldine Ferraro, "why do we always have to buy at sales?"

The question was meant as a joke. Still, the mass of financial data released on the family's finances showed that the couple are indeed wealthy in terms of their varied real estate holdings, but far less so in cash income. Said Ferraro: "We're not flashy. We buy property and we maintain it, and it appreciates. That's what America is all about."

Together, the couple own residential property valued at \$925,000 after deducting mortgages. This includes their large nine-room Tudor home in the Forest Hills section of New York City, a vacation house on New York's Fire Island and a condominium apartment on St. Croix in the U.S. Virgin Islands. Ferraro separately owns four lots next to their Fire Island retreat, and Zaccaro has three similar lots there. The bulk of the family wealth, however, is possessed by Zaccaro, whose holdings were estimated at \$2.75 million. He owns another condo in St. Croix and one in New York's Greenwich Village, and has interests in six Lower Manhattan buildings. Apart from real estate, Ferraro lists more cash, bonds, personal property and similar assets (\$235,000) than her

husband (\$180,000). She reports having no outstanding debts, while his liabilities, including loans, amount to \$310,000. Their combined net worth was placed at \$3.78 million.

Despite that impressive figure, their tax returns for the past six years show that Zaccaro and his wife may not have had much money to spare after maintaining three joint residences, plus her separate apartment in Washington, and putting three children through private schools. Over the past five years, they paid an average of 40% of their gross income annually in taxes, leaving them an average \$103,035 in combined yearly income. This varied from a low of \$80,188 in 1981 to a high of \$150,982 last year.

Except for trips to St. Croix, there is no indication the Zaccaro family traveled widely, except on business, or entertained expensively. They have paid off the mortgages on their Forest Hills and Fire Island houses, purchased in the 1960s.

A more complete picture of the family finances would be available if Zaccaro released the tax returns he filed for his various businesses. On his 1983 individual income tax return, he listed a loss of \$8,162 from P. Zaccaro Co., which manages but does not own real estate. Ferraro, who owns one-third of this business, while her husband holds two-thirds, claimed a loss of \$4,082. Most of Zaccaro's business dealings, however, were done through partnerships and corporate entities creat-

ed for specific transactions. In the real estate business, this is a common way of shielding an owner from having property seized by creditors if another property he owns goes bankrupt. There are various tax advantages in this practice, including the chance to shelter legally income derived from these technically separate businesses. Indeed, it is possible that Zaccaro received substantial income from partnership investments that did not have to be shown on his tax returns.

Clearly, the release of the couple's individual tax returns squelched any suspicion that Zaccaro might have been trying to hide embarrassingly small payments to Uncle Sam. Over the past five years, he and his wife paid more than the average person does in their respective tax brackets, according to IRS statistics. This was true of Ferraro in each of the five years in which they filed separately. It was true of Zaccaro, whose income varied more sharply from year to year, in three of the five years. By filing separately, they paid about \$6,000 more over the period than if they had filed jointly.

One series of transactions in 1978, however, remains a matter of controversy. When Ferraro decided to run for Congress from her Queens district in 1978, key supporters assured her that they could come up with \$300,000 for her campaign. But the cash did not materialize. "We couldn't raise the money," she said last week. "I was not a proven candidate."

Ferraro knew there was no limit on how much a candidate could spend in personal funds to run for Congress. She says she was advised by a volunteer lawyer in her campaign that she could borrow money from her husband and the trust funds of

FRIENDLY TRANSACTION



1. May 1, 1978: Ferraro and Partner Manny Lerman buy property at 231 Centre Street for \$175,500. Each pays \$87,750 (\$25,450 in cash, \$62,300 by mortgage).



2. September 1978: the FEC informs Ferraro that a \$134,000 campaign loan from her husband and three children is illegal. Each can contribute only \$1,000.



3. Oct. 4, 1978: based on an estimated market value of \$325,000, Lerman buys Ferraro's share of Centre Street for \$162,300 (\$100,000 in cash plus assumption of the \$62,300 mortgage). Her profit after five months: \$74,550.



4. October 1978: Ferraro repays the family loan, using her \$100,000 in cash from Centre Street and \$30,000 from a smaller real estate deal.



5. January 1979: Ferraro's husband buys back the half interest in Centre Street from Lerman for \$100,000 as agreed upon earlier.



6. April 1979: in reporting the capital gain on the sale of 231 Centre Street, Ferraro and her husband omit the \$62,300 mortgage that was assumed by Lerman. It is later determined that they underpaid their taxes by \$29,709.

SMIRNOFF® VODKA 80 & 40 PROOF, IMPORTED FROM RUSSIA © 2004 V&S SPIRITS, SMIRNOFF FLS. DIVISION OF HEUBLEIN, INC., HARTFORD, CT. — MADE IN RUSSIA

*Without Smirnoff and Schweppes
it's just another vodka and tonic.*



*Make the last weekends of summer the best.
Be sure and pick up some Smirnoff and Schweppes.*

Smirnoff &
VODKA
Schweppes

The new Typestar 5 personal electronic typewriter from Canon.

It's small. It's light. It's brilliant.

You can hold it in the palm of your hand.
Or carry it in a briefcase or rest it on your lap.

The new Typestar™ 5 electronic from Canon.
But don't let its smallness fool you. It has a full professional keyboard and all the features you'd expect from an electronic typewriter three times its size. Like 15-character display for easy correction, automatic centering and underlining and the ability to print in double width.

Plus, most important, it gives you superior letter quality typing in a choice of two typefaces.

And you can type wherever and whenever you need to because Typestar 5 sounds as quiet as a whisper and runs on simple batteries.

So why not reach up now and hold your very own star.

Typestar. From Canon.

Reach for a star. Typestar.



Canon

Electronics you can touch.

Canon U.S.A., Inc., One Canon Plaza, Lake Success, NY 11042

their three children. She chose this course, getting the first of four loans totaling \$134,000 from them in May 1978. Once her campaign got rolling, she expected enough donations to repay the loans.

On Sept. 1 Ferraro duly reported these loans to the Federal Election Commission. She was quickly told by the FEC that using a family loan for her campaign was illegal. Like any prospective contributor, each member of her family could give only \$1,000. Ferraro was advised that she would face hefty fines if the violation continued, so she scrambled to repay the loans.

Even though she had substantial assets of her own (her net worth at the time was about \$500,000), the banks, she says, would not give her a loan unless her husband co-signed it. The FEC, of course, would not permit Zaccaro to do that, since he was one of the family members she was trying to repay. The only option, she says, was to put some of her property on the block. "We've got to sell fast," she told her husband, alluding to her half-ownership of one building and a half-interest in a mortgage on another. "Get whatever you can."

Thus began a financial transaction that continues to attract scrutiny (see chart). The property in which Ferraro held a half-interest was a two-story brick commercial building at 231 Centre Street in Lower Manhattan. She and Manny Lerman, a longtime business associate of her husband's, had bought the building on May 1, 1978, at what Ferraro says was a bargain price: \$175,500. Each put up \$25,450 in cash. The balance of \$124,605 was met by a mortgage, an obligation that they split at \$62,300 each.

When Zaccaro sought a buyer for her interest in this building, he went to Lerman. They decided a fair market price was \$325,000, nearly twice what Lerman and Ferraro had paid for the property five months earlier. (This value estimate was not unreasonable, it turned out, since the building was resold two years later for \$375,000.) If they sold the building for \$325,000 and paid off the \$124,605 mortgage, Ferraro and Lerman would get roughly \$200,000. Lerman agreed to pay Ferraro \$100,000 in cash for her share. In purchasing her interest, Lerman took over Ferraro's share of the mortgage, relieving her of a \$62,300 liability. Thus Lerman had in effect paid \$162,300 for Ferraro's holding, meaning that she realized a profit of \$74,550, or 85%, in just five months.

Zaccaro promised Lerman he would buy back Ferraro's share for \$100,000. Thus Lerman knew he would get back his cash payment of \$100,000. In buying the half-share, Zaccaro would acquire half the mortgage obligation.

The buy-back meant that Zaccaro was indirectly subsidizing his wife's campaign. In effect, she was selling her share of the property to him, with Lerman acting as an intermediary, and then using the proceeds to repay her husband and chil-

dren. This would not be considered a gift and therefore a violation of election laws unless the value of the property was inflated, exceeding a fair market price at the time she sold her share.

The Ferraro campaign staff points out that Zaccaro could have simply bought his wife's property directly without going through Lerman, but "because of the recent FEC experience it did not occur to him." Again, for such a transaction to be legal it would have to be an arm's-length, market-value deal. In view of Ferraro's whopping profit after just five months, it is not entirely certain that the sale and repurchase met this standard.

Ferraro repaid the illegal campaign loans in October 1978 with the proceeds from 231 Centre Street and \$30,000 from the sale of her interest in an unrelated mortgage. The FEC eventually fined her campaign \$750. Zaccaro bought back the

"It's hard to write a check for that amount." She covered it by selling bonds with a face value of \$70,000. The couple will have to pay additional New York State and City taxes on the deal.

Ferraro contended that the mistake had been unintentional, made by her husband's accountant of some 40 years, Jack Selger, 75. Selger told TIME: "This was an error of omission on my part in not including the assumption of the mortgage liability." A Manhattan real estate lawyer was skeptical. "To make that kind of mistake is almost impossible," he argued, "especially for an accountant used to calculating capital gains from real estate investments." Assuming Selger's mistake was innocent, it is the sort of thing that an experienced real estate man like Zaccaro should have picked up when reviewing his returns. Indeed, the tax implications of any real es-



Accountants and campaign aides explain Ferraro-Zaccaro finances to reporters. Despite a massive disclosure of information, a few questions lingered.

interest in 231 Centre Street in January 1979, after his wife's election to Congress. Ferraro says she only learned of the buy-back early in 1984. "Why did you do it?" she said she had asked Zaccaro. "He said it was legal and I said, 'Sure it was, but it doesn't look so hot.'"

When Ferraro and Zaccaro filed their last joint tax return in April 1979 (they have since filed separately), they substantially underestimated the profit on the building sale. They listed the original purchase price as \$90,311, which was accurate enough (\$87,750 plus \$2,561 in closing costs). But they said the building was sold for \$96,500, for a capital gain of only \$6,189. This ignored the fact that Lerman had assumed her \$62,300 mortgage. Accountants from Arthur Young & Co., recently hired by Ferraro to review her finances, discovered the omission almost at once. It meant that Ferraro had to pay an additional tax of \$29,709, plus \$23,750 for five years' interest. She wrote out the \$53,459 check last week, adding wryly,

tate deal are of paramount importance.

An Arthur Young accountant claims to have found a similar failure by Selger on a capital-gains computation for a Zaccaro transaction starting in 1981. In that case, however, the error meant that Zaccaro had overpaid his taxes for 1981, 1982 and 1983 by about the same amount as the 1978 underpayment. In general, contend the newly hired accountants, Selger did not take advantage of many tax shelters that were readily available.

The consensus of experts in the often cutthroat world of Manhattan real estate seemed to be that Zaccaro was a highly informal operator who could have done much better, in both deals and taxes, with shrewder advice. His wife, who made it a point to stay out of Zaccaro's business affairs, has learned the hard way that such marital privacies are not possible for a member of Congress, much less a candidate for Vice President. —By Ed Magnusson. Reported by John F. Stacks and Frederick Ungeheuer/New York



Coronation fever in Dallas: delegates erupt in a flag-waving demonstration closing a convention that rang with chants of "Four more years!"

Nation

Setting Out to Whomp 'Em

The Republicans sound the battle cry as they renominate Reagan and Bush

CONVENTION



Very little was left to chance. The proceedings were so carefully scripted that virtually the only suspense was whether all 50,000 balloons in the Dallas Convention Center would disgorge on cue when Ronald Reagan and George Bush appeared on the podium for their victory waves the final evening. The party's conservative leadership was in such firm control that minority dissenters to the platform had no chance to raise their criticisms on the floor. Many of the principal speeches were edited by two Reagan campaign staffers, which may have been why there was such a similarity to the ring of the rhetoric.

But for whatever last week's Republican National Convention failed to achieve as political drama, it played wonderfully well as pageantry, especially after the King arrived for his coronation. Merely by waving at Wife Nancy on a giant closed-circuit television monitor visible throughout the hall, Ronald Reagan, *Rex Republicanus*, brought his G.O.P.

court roaring to its feet. Formally accepting his nomination to a second term, Reagan could hardly restrain the ecstatic ritual chants of "Four more years!" that repeatedly interrupted his speech. While savoring the moment, he finally pointed to his watch and reminded his audience, "It's getting late."

Even before he arrived in Dallas at midweek from Washington, it was clear that Reagan bestrode his party like few candidates before him. Not since 1972, when Richard Nixon faced George McGovern, had G.O.P. strategists been more confident of reviving what Kansas Senator Robert Dole called "an old and honored tradition, the two-term presidency." Not since Dwight Eisenhower's second campaign for the White House in 1956 could the Republicans offer a more saleable candidate. Polls are showing Reagan at the peak of his popularity with American voters; they are also documenting signs of new national feelings of patriotism and optimism that could only benefit an incumbent, particularly one so adept at exploiting that mood—a mood Reagan gets much credit for fostering.

Despite omens so favorable that overconfidence seemed to be the G.O.P.'s lone hazard, the spirit of Dallas was surprisingly feisty, even belligerent. Speaker after speaker sharply berated the Democrats, eliciting war cries and hoots from a convention that seemed to smell blood. The best-received barbs, and the constant efforts to link Walter Mondale to the Carter presidency, reflected a conservative ideology that relished its moment of triumph within the party. In notable contrast to his acceptance speech in Detroit four years ago, Reagan endorsed the tentative tone with an unusually sharp attack of his own. He called the election "the clearest political choice of half a century," involving "two fundamentally different ways of governing—their Government of pessimism, fear and limits, or ours of hope, confidence and growth." Indeed, he went so far as to suggest that the approach suggested by the Democrats is "accompanied always by more Government authority, less individual liberty, and ultimately totalitarianism."

The hard-swinging assaults were designed, Republican strategists said, to



Rex Republicanus giving an exuberant thumbs-up sign to the court awaiting his acceptance speech

ensure that the party did not become complacent. Privately, however, G.O.P. leaders seemed assured that all signs were pointing to a November victory. Said Republican Pollster Richard Wirthlin: "The earth, the moon, the sun and the planets are all in a moment of favorable alignment." He could have added to that list the astronomical recovery of the economy. The Commerce Department last week revised upward its estimate of growth in the gross national product during the year's second quarter, from 7.5% to an annual rate of 7.6%. The Administration predicted that growth would continue for the rest of the year and average 6.5%, its highest one-year rise since 1955. Consumer prices, the most closely watched gauge of inflation, notched up in July at an annual clip of 3.5%, slightly higher than in the previous two months but still quite within an acceptable range.

Delivering the G.O.P. keynote speech this year would have been a challenge for anyone, inviting as it did comparisons with New York Governor Mario Cuomo's slick but stirring opening address to the Democratic Convention. The Republican choice, U.S. Treasurer Katherine Davalos Ortega, did not even try to make it a contest. As she noted, "There are many members of our party more eloquent than I." Her presence on the ros-

trum Monday night was mainly symbolic, designed to highlight a ranking woman and a Hispanic in a party that is attempting to woo both groups. Ironically, from the standpoint of convention planners, Ortega's principal oratorical weak point was neither her soft voice nor her slow speaking pace; it was the lack of a distinctive Spanish accent.

The evening's *de facto* keynote speech came from a more accomplished woman orator, U.N. Ambassador (and lifelong Democrat) Jeane Kirkpatrick, who drew an appreciative roar by announcing "This is the first Republican Convention I have ever attended." Kirkpatrick contended that Reagan's foreign policies have "silenced talk of inevitable American decline and reminded the world of the advantages of freedom." By contrast, she

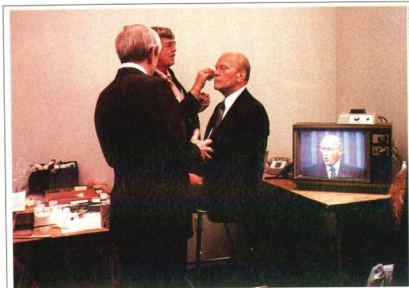
declared, in a more-in-sorrow-than-anger lecture that reflected her academic background, the previous Administration too frequently blamed the U.S. for problems it did not cause. "Jimmy Carter looked for an explanation for all these problems and thought he found it in the American people," said Kirkpatrick. "But the people knew better. It wasn't malaise we suffered from. It was Jimmy Carter and Walter Mondale." The delegates loved it.

Any scant chance that the seamless proceedings might be interrupted by floor debates ended on Tuesday with the adoption, by acclamation, of a 74-page platform crafted almost entirely by the party's conservatives. The document endorsed the social agenda long advocated by Reagan, including voluntary school prayer, tuition tax credits for private and parochial education, and an anti-abortion amendment. But it went beyond White House wishes on some issues, notably in opposing "any attempts to increase taxes," which Reagan has said he might have to do as a "last resort."

Dispirited G.O.P. moderates, who lost every battle to soften some of the platform language, glumly admitted that it was pointless to carry their fight to the convention floor. Said Connecticut Senator Lowell Weicker: "The far right controls the Republican Party." In adopting without

The Vice President, in person and on-screen, acknowledging the applause





Former President Gerald Ford being made up backstage for his turn in the spotlight

debate such favorite conservative proposals as considering a return to the gold standard and a balanced-budget amendment, the Dallas convention seemed determined to prove Weicker right. George Bush, however, ridiculed the notion that "the furthest-out fringes" of the New Right had seized party control. "They don't have anything but great big mail lists and great big mimeograph machines," he said in a TV interview.

The first major floor demonstration followed the introduction of Jack Kemp, the ardent apostle of supply-side economics, who is touted by some conservatives as the logical heir to the Reagan legacy. Hundreds of KEMP signs waved and bobbed throughout the hall as the former pro-football quarterback took the podium. Looking suitably surprised by the well-orchestrated display of future support, Kemp went on to compare the foreign policies of Carter, "seeming to grow old before our eyes," with those of Re-

gan, who "actually seems to be getting younger." Turning to Central America, he charged that the opposition would "shun the task of cultivating democracy." Declared Kemp: "The leaders of the Democratic Party aren't soft on Communism; they're soft on democracy."

Former President Gerald Ford provided a ringing defense of the Reagan Administration's record of fairness, a favorite Mondale attack point. "Is it fair to keep promises you can't keep? Is it fair to make promises the country can't afford?" asked the ex-President. "That is Mondale's record." Citing the drastic fall in the inflation rate and other economic gains scored during the Reagan Administration, Ford concluded, "That's what I call being fair to everybody."

Reagan was welcomed to Dallas on Wednesday afternoon with a rip-roaring reception in an atrium of the lavish Loews Anatole Hotel. As cheering supporters lined a 14-story, banner-bedecked tier of

balconies above him, the President began his remarks in an expansive spirit, pledging to build "an opportunity society for every man, woman and child." But he later invoked the war cry of the Dallas Cowboys, doubtless extending it to the Dallas Republicans. "There's an expression you have down this way that I like," Reagan said. "You don't just score victories—you whomp 'em."

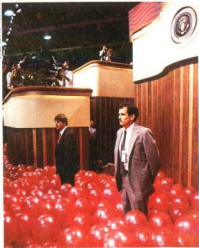
That night Nancy Reagan captured the heart of the convention during a brief solo appearance. Radiant in a shimmering white dress, she thanked party regulars for their moral support during the days of Reagan's recovery from the assassination attempt of 1981. Closing with an appeal to "make it one more for the Gipper," she acknowledged the crowd's applause by blowing kisses. Then she spotted her husband's live image on a huge closed-circuit video screen behind the podium and began waving to him. In his hotel suite, Reagan, seated beside Bush and dressed casually in slacks and an open-necked shirt, at first looked puzzled as he was shown watching her. Then he waved back across the air waves.

The convention's mood turned nostalgic as it welcomed Arizona Senator Barry Goldwater, the G.O.P.'s 1964 presidential nominee and at 75 still its grandest old conservative. As Goldwater, who has undergone surgery for heart and hip ailments in recent years, limped to the podium, few in the hall needed reminding that an electrifying televised campaign speech on Goldwater's behalf 20 years ago by a Hollywood has-been had launched Ronald Reagan on his political career. Reagan aides had hoped that Goldwater would not dwell too much on his old crusades, but the Senator was unwayed by pleas that he not repeat the most famous and divisive line from his own acceptance speech. He uttered it with gusto: "Let me remind you, extremism in the defense of liberty is no vice."

Furthermore, Goldwater said, "it has been the foreign policy and defense weakness of Democrat Administrations that



The scene on the floor during prayer at the convention's Tuesday-night session



Secret Service men knee-deep in balloons

have led us to war in the past," thus reviving an old, seldom used Republican charge that a Democrat was in the White House at the start of every war fought by the U.S. in this century. Other Republican speakers had limited their Democrat bashing to the current ticket, but Goldwater had crustily rejected all requests to tone down his remarks. Explained a Reagan aide: "He insisted on keeping the lines he liked."

The President's close friend Senator Paul Laxalt of Nevada was chosen once again to place Reagan's name in nomination. In so doing, he praised the President's brand of leadership as "guts with reason," citing as an example his decision to send U.S. troops to the Caribbean island of Grenada. Said Laxalt: "He made the tough call. If he hadn't, Grenada today might well be in the Soviet orbit." The Nevada Senator was sharply effective in his attacks on the Democratic Party, which he said "is now the home of special interests, the social-welfare complex, the antidefense lobby and the lighter-than-air liberals."

As Wednesday night's roll call proceeded predictably—votes for Reagan and Bush were cast on the same ballot—the President and Bush were joined in the Reagans' suite by their wives. The Missouri delegation's vote boosted the uncontested ticket over the top just 45 min. later than the script said it would. Ever ready with a one-liner, Reagan quipped, "We've been sweating this out."

Reagan began the next morning with an "ecumenical prayer breakfast," attended by 17,000 Christian laymen and church leaders, most of them evangelicals. To the delight of his audience, the President delivered his strongest attack ever on opponents of a proposed constitutional amendment that would permit voluntary school prayer. Claiming that the amendment's passage has been blocked by its critics "in the name of tolerance," Reagan asked, "Isn't the real truth that they are intolerant of religion? They refuse to tolerate its importance in our lives." In a debatable assertion that went well beyond the issue of school prayer, Reagan went on to say that "religion and politics are necessarily related," and "this has worked to our benefit as a nation."

Bush maintained the convention's rhetorical tone in his acceptance speech. Referring to the opposition as "the tax raisers, the free spenders, the excess regulators, the Government-knows-best hand wringers," the Vice President declared, "You've had your chance. Your time has passed."

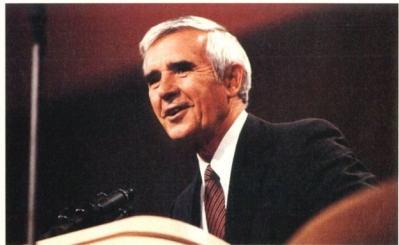
The task of introducing the star attraction fell to the star himself. As the lights in the hall dimmed, an evocative film portrayal of the President, with Reagan as narrator, appeared on the screen. The video was something of a cross between a Pepsi-Cola commercial (happy young people, catchy music) and *The Natural* (mythic baseball heroism in-



A trio of Republican favorites: '64 Nominee Goldwater repeated his "extremism" line



Democrat Jeane Kirkpatrick blistered that party's foreign policy



Nevada Senator Laxalt gave the nominating speech for his close friend in the White House

Nation

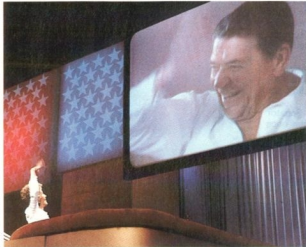
spired by Love and Personal Fidelity, back-lighted by the sun, awash with violins). That was no surprise: the 18-min. movie was crafted, in large part, by Phil Dusenberry, co-author of the screenplay for *The Natural* and vice chairman and executive creative director of the BBDO, Inc., advertising agency, which handles the Pepsi account.

The movie, in fact, became one of the few subjects of public debate at the convention. Both CBS and ABC declined to air it on the grounds that it was a political commercial, a position all three networks had taken when asked to show a similar film about Mondale during the Democratic Convention. But NBC agreed to broadcast the Reagan production, contending that the controversy about whether the film would be aired had turned it into a newsworthy event.

The film, paid for by the Republican Party, was created, along with one about the First Lady, at a cost of \$425,000. It opens with flash visual cuts melded by harmonic melodies: Reagan taking the oath of office, a dad embracing his little girl, ethnic workers giving thanks for their jobs. From there it flows through scenes of Reagan riding his horse, the lift-off of the space shuttle, the Statue of Liberty (twice) and a somewhat jarring replay of the assassination attempt followed by Reagan talking of how the late Terence Cardinal Cooke of New York had told him that "God must have been on your shoulder." The emotional culmination is a teary Ronald Reagan, choking as he tries to finish an address to graying veterans of D-day gathered in Normandy last June.

It was an act that only Ronald Reagan could follow. The sole uncertainty was whether he would use his speech as the opening shot of the re-election campaign or as an uplifting conciliatory counterpoint to many of the speakers who had preceded him. For the most part, he chose the former course, disappointing some supporters who had hoped he would use the occasion of his final investiture as candidate to explore a vision of where the party, and the nation, should move during the next four years. He was urged to do so by some aides. But in the end, said one, Reagan decided "there is no advantage in sitting on your lead."

Not that the President's 55-min. speech disappointed his listeners. On the contrary, they interrupted it 95 times



Nancy Reagan exchanging greetings with her husband's TV image

with applause. They answered with hearty choruses of "No!" when Reagan asked whether they had any doubts that the Democrats would "make Government bigger than ever and deficits even worse, raise unemployment" and "make unilateral and unwise concessions to the Soviet Union." In fact, they were so eager to be roused that they would not allow Reagan to complete one of his punch lines. Saying that he was tempted to compare Democratic spending habits to those of a drunken sailor, Reagan said, "But that would be unfair to drunken sailors." The audience erupted in laughter before he added, "Because the sailors are spending their own money." Another interruption occurred when Reagan paraphrased Will Rogers and accused the Democrats of never meeting "a tax they didn't like." The President had to wait for applause to subside before adding, "Or hike."

The President had been nettled by the Democrats' searing appraisal of Reagan-

omics in San Francisco. More than half the speech was devoted to defending his record. Then he set forth a particularly stark delineation of the choice between the Democratic plan for the future and his own, using a formulation similar to the sharp "war and peace" alternatives that Jimmy Carter envisioned on the 1980 campaign trail. Said Reagan: "Isn't our choice really not one of left or right but of up or down—down through the welfare state to statism, to more and more Government largesse... The alternative is the dream conceived by our founding fathers, up, up to the ultimate in individual freedom consistent with an orderly society." He concluded with a rambling evocation of the new patriotic spirit of the passage of the Olympic torch across America.

As Reagan noted near the end of his speech, "Four years ago we raised a banner of bold colors—no pale pastels." Certainly there was nothing muted about what the President, or his party colleagues and their platform, had to say last week. As the ardent cheering for Reagan's acceptance speech swelled, even the balloons behaved. Red ones fell from nets on the ceiling, white ones rose from the floor.

Reagan may be far ahead in the polls, but it was clear in Dallas as it had been in San Francisco—each convention raising partisan adrenaline to fever levels—that the fall campaign will be hard-fought. As the Republicans headed home, Walter Mondale returned to the campaign stump after a four-day hiatus. He sent Reagan a telegram repeating his challenge to at least six debates.

Nor did Reagan lose any time getting on the campaign trail. At a Veterans of

Foreign Wars convention in Chicago, he accused the Democrats of being responsible for a "dismal chapter of failed policies and self-doubt." They claimed to be for a strong defense, he chided, while advocating the cancellation of the B-1B bomber and MX missile and supporting a nuclear arms freeze. That sort of stance, he said, reminded him of the saying, "Any jackass can kick a barn down, but it takes a carpenter to build one."

Summer may still be sweltering along, and ten weeks may remain before Election Day. But for the two seasoned campaigners in this year's presidential race, the training schedule is over; the game is on.

—By William R. Doerner, Reported by Laurence I. Barrett and Christopher Ogden/Dallas



Back at their hotel after Reagan's renomination

A Conversation with Reagan

Ronald Reagan was talking about changing American politics for generations. "A political party isn't a fraternity," he said. "It isn't something like the old school tie that you wear. You band together in a political party because of certain beliefs of what Government should be. Now, if Democrats have come to believe in the same things Republicans believe in, then there should be an amalgam of those two elements of the parties." Shades of E.D.R., who once secretly communicated with Wendell Willkie about changing the parties into conservatives and liberals.

A slight smile, the soft, husky Reagan voice. Almost genteel. And yet a bugle call of sorts for 1984. Reagan's enthusiasm grew as he got into his subject. His color heightened. He leaned forward from his couch and worked his hands. Far below his 26th-floor hotel room, the hubbub of the Republican National Convention was rising in anticipation of his acceptance speech that night. Reagan already was far beyond that in his mind, building "America's party" and an "opportunity society."

"In a way there is a realignment, except that people have retained their party allegiances," Reagan said. "I understand that, having been a Democrat and changed. I can tell you how traumatic it was when it actually came down to reregistering and saying, 'I am a member of another party.' I talked myself into it.

"When I voted in 1932 for Franklin Delano Roosevelt, the Democratic platform pledged a 25% cut in federal spending, and he campaigned on a return of authority to the people who had lost it to the Government. I went on and was a loyal Democrat. But on the mashed-potato circuit I began to talk more and more about how Government had expanded and was infringing on liberties and interfering with private enterprise. One day I came home from a speaking tour, and I said to Nancy, 'I go out there and make these speeches, which I believe, and then every four years I find myself campaigning for the people who are doing the things I'm speaking against.' And I said, 'I'm on the wrong side.'"

Reagan rates this election as "historic" in its potential for political change, but it is not the same as 1932, which ushered in F.D.R. and 20 years of Democratic power. "I don't think we have the trauma," he said. "I got out of school in 1932 and was looking for my first job in the very depths of the Great Depression, with 26% unemployed, the Government putting ads on radio telling people not to leave home looking for work because there was none. And there were none of the safeguards then."

To achieve a lasting realignment, the Great Communicator must become the Great Persuader. Reagan confesses he has no particular plan for digging out the Democrats who may have begun to doubt their party. "I haven't thought of any great movement to bring that about," he said. "But it is happening increasingly. You saw a Democrat speaking at the Republican National Convention—Jeanne Kirkpatrick. We have seen some of our Congressmen change. One of

them, Phil Gramm from Texas, realized he could no longer follow the leadership of his party. I thought it was significant in the '76 primaries when Democrats could vote in a Republican primary and vice versa—I won those states.

"What you do is keep enunciating the principles that we believe in and don't shut the door to these other people but keep asking, 'Can you continue to support your party?'"

Reagan is flushed with success and adoration, cocooned in power, presiding over the most affluent, the best-dressed, most privileged group of political activists ever assembled. What about a poverty-ridden young black in a ghetto with no father, no money, no education, no hope?

Reagan's smooth brow furrowed. A shadow crossed his eyes. "I know that this is oversimplification," he said, "but it's the only way to answer the question. Basically the Democratic Party has said, 'We'll take care of you. We'll see that you have food and shelter.' But then what is he? He is as beholden to that Government institution as he is beholden in slavery to the fellow who lived in the big house on the hill.

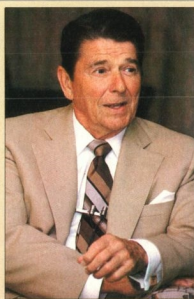
"Our party is saying to them: We want equality of opportunity. The only barrier will be within yourself as to your own ability to achieve your dreams. And I think this is what they want. I think the minorities have far more to gain from the Republican Party. We're the ones who want them to fly as high and far as they can on their own ability."

If there is to be a Republican dynasty ahead in the White House it is Reagan's belief it will rest on a healthy economy. The G.O.P. will gain strength "if we're successful in what we're trying to accomplish, and we've been successful so far—this recovery is evidence of that. I'm sorry, I said 'recovery.' I've had economists tell me that I should be calling it an 'expansion.' We're past the recovery stage. But if we are, then I think the pattern is set for the next election as well."

There he sits, just one elderly human being in a vast global arena, but with more power than any other single person and with most of the burden of mankind's freedom assigned to him for safekeeping. He has fought bloody diplomatic and legislative battles for nearly four years, and has been exoriated by the Democrats from dawn to dark for the past month, yet the polls show he is liked more than ever by Americans. Why?

Reagan ducked his head, paused for a moment. "I don't really know," he said, "unless maybe—maybe the people have a way of sensing that I like them. And I do. I don't know how anyone could be in this business and not like people. And yet I know a lot of politicians, maybe out of fear, who look on people as adversaries, they don't like them."

If he had the Democrats in mind, Reagan did not say. But he had noticed the new Democratic emphasis on home and community. He was watching television, he said, as Walter Mondale gave his acceptance speech at the Democratic National Convention in San Francisco. When Mondale reached the heights of his eloquence about flag, family and fiscal restraint, Reagan said, he turned to Nancy and asked, "Didn't I write that?"



"Maybe the people have a way of sensing that I like them."

Struggling for a Party's Soul

G.O.P. factions jockey for 1988, and beyond

CAMPAIGN



Wrapped in Ronald Reagan's genial embrace, the Republicans seem to be one big happy family, basking in the reflected glow of the President's popularity. Without him, however, the G.O.P. may again be riven by factions that not only disagree on issues but harbor a distrust and even a thorough dislike of one another.

Those discordant strains could be heard beneath the harmony of last week's carefully scripted convention. Whether or not Reagan wins a second term in November, the race to succeed him—and the struggle for the party's soul—has already begun. Says the President's campaign director Ed Rollins: "By Inauguration Day the camps will be divided. There is no question that we are going to have a primary season in 1988 that will make the Democratic race in 1984 look tame. The whole direction of the party, post the Reagan era, is up for grabs."

The party has for decades been fundamentally split. The division has been partly ideological, but to an even greater extent cultural, regional and social. One branch has been dominated by a right-wing populist strand, predominantly Western, rural and Main Street, whose antecedents stretch back to the isolationists and McCarthys. This wing has often vehemently opposed the G.O.P.'s so-called Eastern Establishment, whose members are associated with Wall Street and country clubs; their views tend to be more sympathetic to Big Business, internationalism and political pragmatism. The bitterness peaked at the 1964 G.O.P. convention, when the conservative followers of Arizona Senator Barry Goldwater tried to shout down his moderate rival, New York Governor Nelson Rockefeller, with a torrent of jeers and personal insults.

Reagan was able to smooth this over, but his would-be successors promise no such balancing act. One broad strain of pragmatists and moderates would consolidate Reagan's gains and repair his excesses. They would compromise to reduce the deficit, raising taxes if necessary. They would try harder to reach an arms-control agreement with the Soviets, sacrificing if necessary Reagan's proposed Star Wars weaponry. They would not try to legislate morality.

A rival wing of self-styled populist conservatives would press the Reagan

Revolution to fulfillment. They would cut taxes even more, stressing economic growth and dismissing worries about red ink; escalate the attack on Big Government, cutting Government regulation to the bare essentials; use the power of the White House to bring antiabortion and school-prayer bills to the floor of Congress and keep them there until they passed; not stint on building up the military and show no sign of softening to the Soviets.

is at heart an unregenerate Eastern Establishment preppe. Bush, trying to sound like a true Texan, retorted that his antagonists were "all hat and no cattle."

Bush was among the half-dozen or so possible contenders for the party's nod in 1988 who raced from one state caucus to another, attempting to build support. DOLE IN '88 and KEMP IN '88 placards popped up on the convention floor. Kemp disclaimed any responsibility for the "spontaneous" demonstration but took along 5,000 copies of his book, *The American Idea: Ending Limits to Growth*, handing them out to delegates like campaign buttons. All the contenders hunted for TV cameras like addicts in search of a fix.

The maneuvering and backbiting re-

A NOT-SO-SERIOUS LOOK AT REPUBLICAN TRIBES



PROGRESSIVES



PREPPIES

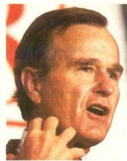
NATURAL HABITAT	Snowbelt	Country clubs
STARS	Weicker, Leach Packwood	Bush, du Pont, Chafee
TRADEMARK	Rumpled suits	Brooks Brothers shirts
POWER BASE	None	Old-boy network
CAUSES	Civil liberties and civil rights	Western alliance
HERO	Nelson Rockefeller	Endicott Peabody
REQUIRED READING	Ripon Forum	Foreign Affairs

This profound struggle for the party's soul was on display last week in Dallas. A group of young Turk conservatives led by Congressman Jack Kemp of New York and Newt Gingrich of Georgia took control of the party platform committee and installed some of the rightists' favorite planks. Even such respected G.O.P. Senate leaders as Robert Dole of Kansas and Howard Baker of Tennessee were shoved to the side and largely ignored. The two camps sniped at each other in interviews during the convention week, challenging each other's views of the party's future.

Meanwhile, Vice President George Bush, born in the mainstream camp but working hard to appeal to the populist Reaganites, was generally able to stay above the fray as he shared the appeal of the man who put him on the ticket. But New Right agitators continue to insist that the Vice President

revealed that the party is split not just along one ideological fault line but into a variety of cultural and political factions that sometimes cooperate and often compete. Most party members resist pigeonholing, and many try to keep footholds in more than one camp. Alliances shift and re-group; certain issues make for odd bedfellows. Herewith a guide through the often overlapping G.O.P. tribes:

PROGRESSIVES. As the party as a whole has moved to the right, the old liberal wing has crumbled. But a steadfast band hangs on, almost enjoying the loneliness of the vigil. Connecticut Senator Lowell Weicker seemed to relish his outspoken assaults on the party platform the past few weeks as much as the filibusters he conducts on the Senate floor against New Right bills. Bearish and sweaty, he flaps about the Senate chamber invoking the Constitution and the Senate Rule Book to keep Jesse Helms & Co. at bay. Congressman Jim Leach, a rumpled, Princeton-educated Iowan, has formed a Republican mainstream committee to revive the moderates. Yet he readily concedes, "The



Born-Anew Reaganite Bush

continued

conservatives were the only group to put forward active ideas." Conservative Republicans contend that the liberals have not had a new thought since the 1960s.

PREPPIES. The Eastern Establishment is still an important force in the G.O.P., though its members wince at being identified as such. For example, Delaware Governor Pierre du Pont IV, one of many prospects for the presidential nomination in 1988, prefers to be called a conservative and claims that he has already done in Delaware what Kemp and Gingrich want to do for the nation: promote growth by cutting taxes. But with his resounding name, horn-rimmed glasses and Exeter-Princeton education, du Pont does not exactly come across as just one of the down-home folks.

theorists of the far right. Another leading exemplar of the "preppie" group is Rhode Island Senator John Chafee, a former Secretary of the Navy.

PRAGMATISTS. When they won control of the Senate in 1980, after nearly three decades in opposition, the Republicans discovered some of the burdens of governing. No longer could they snipe from the sidelines; they had to learn to make compromises and lubricate the legislative wheels. The experience has been sobering. Majority Leader Baker, the son-in-law and political heir of Senate Republican Leader Everett Dirksen of Illinois, warned at the outset that supply-side economics would be a "river-bout gamble"; now he worries about how to cut the resulting federal deficits




majority leader since Lyndon Johnson. With a polemical convention speech last week, he set out to prove that he had the requisite "fire in the belly" to run for national office and stir crowds. He is quitting the Senate this year to get away from the Washington grind and, as he put it, "re-establish a more distant and civilian perspective." Dole hopes to succeed Baker as majority leader. Their candidacies in 1988 could test whether an effective legislator can also be a popular vote getter.

POP-CONS. In contrast to the weary pragmatists of the Senate, the young Turks of the House, such as Gingrich, Kemp and Platform Committee Chairman Trent Lott of Mississippi, have the clear-eyed look of true believers. No wilted shirt collars in this group. With hair carefully styled and blow-dried, they look like local-news anchormen. Television is, in fact, their medium. Its cameras are permitted in the House (unlike the stodgy Senate), and the young Turks unabashedly perform for the C-SPAN telecasts of floor debates. A Democratic majority still runs the House, so the Republicans are freer to posture.

More than any other wing of the party, the young Turks have come up with new ideas, including the fervently advocated Kemp-proposed tax cut that Reagan pushed through in 1981. They are often called "populist conservatives" (pop-cons, for short) and argue that rich and poor alike would benefit from their economic programs. Not all the ideas are universally admired, to be sure. A modified "flat tax" on personal income, endorsed by the platform as "a most promising approach," would eliminate loopholes that allow many of the rich to evade taxes, and it would set a single rate of approximately 15% for all taxpayers. But it would undercut the premise of a progressive tax system, namely that citizens should pay taxes according to their ability to afford them.

Most economists recoil at Kemp's proposal that the U.S. tie its currency to a gold standard; that could leave the nation's money vulnerable to fluctuations by the world's two largest gold producers, the Soviet Union and South Africa. A return to the gold standard, warn some monetarists, could limit the Government's ability to control the money supply and trigger a deflation as crippling as that suffered in the Great Depression.

Unfazed by such criticism, the young Turks are willing to take chances. Gingrich, who calls himself a "visionary conservative," wants a re-elected Reagan to launch a "dynamic, audacious first 100 days reminiscent of Roosevelt's first term." Their biggest gamble would be to ignore the pleas of the pragmatists, who insist that a tax hike is necessary to reduce the deficit.

		
PRAGMATISTS	POP-CONS	PREACHERS
Cloakrooms	TV studios	Bible Belt
Baker, Dole, Thompson	Kemp, Lott, Gingrich	Helms, Falwell, Schlafly
Rotary Club pins	Blow-dried hair	Polyesters
Congressional committees	Grass roots	Direct mail
Deficits	Growth and gold	Prayer and right-to-life
Everett Dirksen	Adam Smith	Carrie Nation
Congressional Quarterly	Wall Street Journal	Conservative Digest

Vice President Bush, the putative front runner for 1988, has tried to become a born-again Reaganite, religiously defending the fiscal creed he once called "voodoo economics." Nevada Senator and Reagan Friend Paul Laxalt gives him credit for "making significant progress as the ultimate consummate gold soldier." But even though Bush has lived in Texas far longer than in his native Connecticut, he cannot escape his Andover-Yale-Skull-and-Bones heritage, nor can he hide his gee-whiz preppie manner. As Laxalt says, "Many conservatives feel that anyone who has been near an Ivy League school is suspect."

A former CIA director and envoy to Peking, Bush fulfilled the Eastern Establishment tradition of public service in foreign policy. To many Western and populist conservatives, the old foreign policy elite is the same bunch that sold out to Stalin at Yalta, "lost China" and naively adopted Henry Kissinger's vision of détente. Bush was even once a member of the Trilateral Commission, an Establishment foreign policy organization regarded with deep suspicion by the conspiracy

(\$195 billion last year). State Governors, of course, have long since struggled to balance budgets. The pragmatist wing of the party includes Illinois Governor James Thompson and Vermont's Richard Snelling.

Widely regarded as a conservative hatchet man when he ran for Vice President on Gerald Ford's ticket in 1976, Senator Robert Dole of Kansas has become less acid and more open to compromise; he also has the ability, unique in Washington, to stand up to lobbyists seeking tax loopholes. Yet Baker and Dole seem to lack passion and vision. Dole joshes that his wife Elizabeth, who is Reagan's Secretary of Transportation, would make an equally strong candidate. Dole buttons featuring pictures of both were seen on the convention floor. Their room number in Loews Anatole Hotel in Dallas was 1988.

Baker has become the most effective



Young Turk Leader Kemp

Nation

Supply-Side Apostles Kemp and Gingrich not only oppose a tax increase but would cut taxes even more. The reward, they insist, would be unprecedented economic growth. The deficit would diminish as increased revenues poured in, without the sacrifice of higher tax rates. Lewis Lehrman, a New York drug-store magnate who lost the 1982 New York gubernatorial race to Mario Cuomo, is a rising Republican figure who has become an intellectual mentor of Kemp's, and who harbors his own national political ambitions. He has become a leading advocate of "unapologetic free-enterprise policies." Says he: "We believe in the unlimited possibilities of the American dream."

Pop-cons are opponents of big—Big Government, Big Business, Big Labor. This is populism with a twist: the original agrarian populists of the late 19th century wanted Government to protect them from the railroads and the bankers of Wall Street. To the pop-cons, Big Government is the principal enemy.

They believe that they are fishing in a huge and untapped reservoir of potential Republicans, and that the G.O.P. can become the majority party by expanding its natural base to include ethnic and blue-collar Democrats who worry about high taxes and crime. Kemp, one of the few prominent Republicans to attend the National Urban League convention in July, said last week: "We cannot move our party ahead by leaving anyone on the sidelines. That requires reaching out to labor, reaching out to minorities, particularly blacks." Not coincidentally, the leading young Turks, New York's Kemp and Georgia's Gingrich, come from historically Democratic districts.

Kemp assiduously avoids labels. Is he conservative, moderate, right of center? "All of the above," he answers. "I think the worst thing in politics is to be taken for granted, to be predictable, to allow people to put you in a box." To keep the pundits guessing, he calls himself a "bleeding-heart conservative" and a "small, small liberal democrat." With a John F. Kennedy haircut and a surfeit of vigor, Kemp is the only member of the House who has built a truly national following. No one, however, has been elected directly from the House to the presidency since James Garfield in 1880.

PREACHERS. The young Turks have formed a wary alliance with the crusaders and polemicists of the New Right. These include Richard Viguerie, the guru of di-

rect-mail fund raising and publisher of *Conservative Digest*, Paul Weyrich of the Committee for the Survival of a Free Congress, and Terry Dolan of the National Conservative Political Action Committee (NCPAC). Their avatar is Senator Helms of North Carolina. But one of the New

ish Prime Minister who tried to appease Hitler in 1938, for Reagan's willingness to appease pragmatists on the deficit. The New Right's special targets are the preppies and pragmatists; George Bush has been the subject of some of the bitterest stories in *Conservative Digest*.

What the New Right fears is that the Eastern Establishment will steal back the party's soul. Viguerie and his allies persistently threaten to form a new, pure conservative party. (So far it is nameless. Viguerie whimsically suggests calling it the No Place to Go Party, since White House operatives are always saying the New Right has nowhere to go but the G.O.P.)

The steadiest and most faithful contributors to the New Right causes are religious fundamentalists. In 1980 many observers thought that the Moral Majority and other born-again groups with political ambitions

had amassed enough power to enact their moral agenda. But their legislating crusade was thwarted by filibusters by Weicker and Oregon Senator Bob Packwood, the Administration's own emphasis on fiscal issues, and bickering among the various antiabortion advocates. While not a dominant force within the party, the fundamentalists are a strong pressure on its far-right flank.

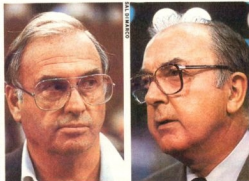
The real battle for control of the Republican Party in 1988 will probably involve pragmatists, such as Baker and Dole, fighting against the pop-cons, possibly represented by Kemp, with Bush struggling to be viewed as a loyal Reaganaut but generally perceived as part of the pragmatist clique. Both wings will have to pitch themselves to a new generation of voters: the maturing baby boomers, who are not yet clearly identified as either Republican or Democrat.

Despite the ideological differences of Democrats and Republicans, the "new ideas" being banded about in the two parties are strikingly similar. Younger leaders on both sides of the aisle stress economic growth, the need to cut back the federal bureaucracy, and tax reform to eliminate loopholes. Their means differ: Republicans, for instance, favor a flat tax, while Democrats would maintain some form of graduated rates. Even so, the new ideas germinating reflect the broad outlines of future national debates, which will be played out within the parties as well as between them.

—By Evan Thomas, Reported by Laurence L. Barrett and Joseph N. Boyce/Dallas



Sharing Room 1988: Elizabeth and Robert Dole in Dallas



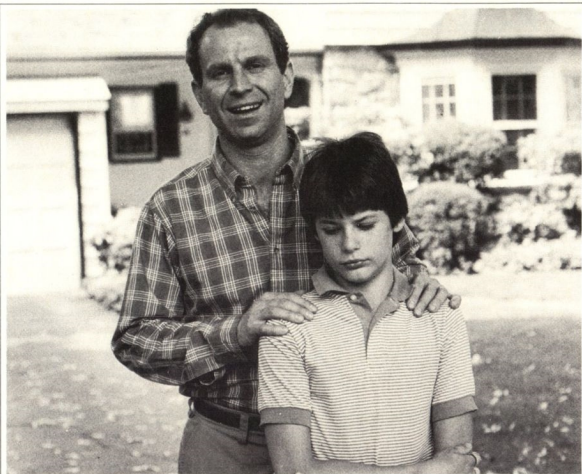
Liberal Maverick Weicker New Right Avatar Helms



Pragmatist Baker turns photographer on the floor

Right leaders concedes, "We could go with Jack Kemp. We like him. But we still have to see whether he has the guts."

The preachers of the New Right strongly emphasize social issues and a rock-ribbed anti-Communism. They are willing to challenge Reagan whenever he shows signs of drifting toward pragmatism on these issues; Howard Phillips of the Conservative Caucus has even likened Reagan to Neville Chamberlain, the Brit-



Who does a 12-year-old turn to when his dad's on drugs?

What happens to a youngster with problems, when the parents who should help have problems of their own?

Like drugs or alcoholism.

Or emotional crises that threaten a family's very existence.

It's hard to deal with painful situations like this at any age. But especially when you're underage.

And speaking practically, these family problems have a way of becoming business problems.

In economic terms, workers crippled by drug or alcohol addiction cost U.S. industry and society over 135 billion dollars a year.

That's why we at ITT created the Employee Assistance Program. To try and give constructive help to people who need it.

We maintain telephone hotlines around the world—24 hours a day, 7 days a week.

When employees or members of their families in participating ITT companies

call us, our Program people hear them out. Then we refer them to somebody nearby who can help.

It's all done in strict confidence, without anybody knowing but the employees themselves.

A number of our people have turned to this ITT program since it began. And most are still with us, productive and happy members of our corporate family.

But more important, happy members of their own families.

The best ideas are the ideas that help people. ITT

For details, write: Director—ITT Employee Assistance Program, Personnel Dept., 320 Park Ave., NY, NY 10022. Or call 212-940-2550.

© 1984 ITT Corporation, 320 Park Avenue, New York, NY 10022

Voices Beneath the Harmony

Three prominent Republicans talk about the political future

CONVENTION Unlike the Democratic Convention, where the cheers were punctuated by occasional jeers, and struggles for the heart of the party were apparent on the podium and on the floor, the Republicans' conclave was a telegenic display of unity. But off-camera, the Republicans were more candid about the divergent currents that will determine the party's future. Presidential Pollster Richard Wirthlin, Kansas Senator Robert Dole and New York Congressman Jack Kemp were among the G.O.P. leaders and strategists who met individually with TIME's editors to discuss the changing Republican Party. Their main points:

Richard Wirthlin. For the first time in my memory, voters 24 years old and younger support Republicans and Reagan more strongly than any other age group except those over 65. We have an 18-point margin over Mondale among these young voters. And that is where long-term partisan change can happen. If we get a voter who is 19 or 20 years old to cast his first vote for Reagan, we know we have a very good



Wirthlin measures the fairness issue

chance of having that voter for ten presidential elections.

The vote itself is a very ephemeral thing. It is froth on the surface of a churning sea. To understand what is generating that froth you have to understand what people aspire to and what they value highly. I just completed a study on this subject and found that younger voters are very individualistic in their economic views but quite liberal in terms of their positions on social issues, such as the ERA and abortion. They tend to be more liberal than the Republican platform. So there is a certain tension there. If growth continues and the economy is no longer a major concern in people's lives, it is possible that social issues will play a more prominent role in a voter's decision. That could work against the President and the Republican Party. But I do not think this is highly likely. The pocketbook is going to be the dominant concern of Americans for a long time to come.

In 1982, when the economy was pretty rocky, it was interesting to us to learn that it was the fairness issue more than the economic issue that helped Democratic Congressmen win elections. I think that is even more true today. The Democrats are going to come at us very hard on the fairness issue. The perception of unfairness in the Reagan Administration is about where it was a year ago, except among older, retired voters, who are supporting the President more than they did earlier. We felt the recovery would soften the fairness issue somewhat. It did not.

Robert Dole. I do not see a big shift in the Republican Party. We are a conservative party. But I think we have sort of lost our way a little bit on fiscal policy, largely due to the recession, but partly due to the belief that the deficit would just take care of itself. Just continue to cut taxes and the deficit goes away. Now that may happen, but I do not see much evidence of it yet.

The fastest-growing program in Washington is not Medicare. It is not agriculture. It is not defense. It is interest on the debt. That interest this year is \$110 billion. It is headed for \$200 billion by the end of the decade. That is net interest. The total is more than double President Kennedy's budget in 1962 for the whole country.

We are supposed to be the tightfisted party that wants to balance the budget. So we put a balanced-budget provision in the platform, but then we proceed to spend \$75 billion to \$100 billion in tax breaks. The same people who are talking about a flat tax to broaden the tax base and get rid of loopholes are loading up the platform with provisions that increase the [personal income tax] exemption from \$1,000 to \$2,000. That is big money—\$15 billion just for that one little item.

[House members such as Kemp, Trent Lott and Newt Gingrich] controlled the platform but do not control anything in Congress. Unfortunately, they are a minority in the House. We have a little different view in the Senate because we are in the majority. We have to be totally responsible from time to time. Now, if you are in the minority, that is when you can put out a lot of newsletters



Dole criticizes the deepening deficit

and say "I'm for lower taxes" and "I'm not going to worry about spending or the deficit" and "We're going to bash Paul Volcker [chairman of the Federal Reserve] and get interest rates down."

Jack Kemp. The far right did not write this platform. They would like to take credit for it, but with all due respect to them, it was written by a group of young, activist-oriented Republicans who are not comfortable sitting on the sidelines. The platform is not a narrow, negative, nationalistic, Communist-bashing document. There are elements of conservatism associated with values we Republicans share about the family and Judeo-Christian ideals. But it is liberal with regard to trade and the inner city. I think the platform expresses a newness.



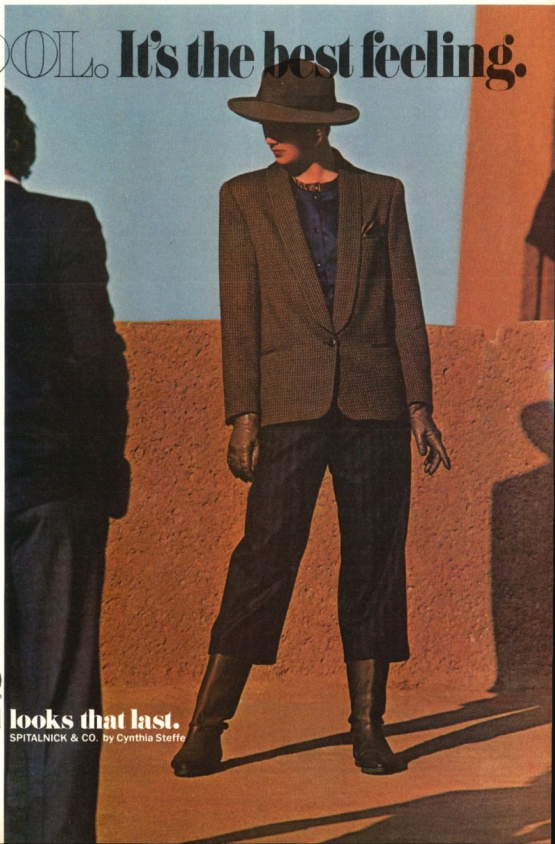
Kemp insists not all deficits are equal

For all too long our party was trapped in the green-eyeshade, accounting-firm mentality that has turned off the cities and minorities to what we Republicans are all about. We became associated with a narrow fiscalist view of the world. Part of the change taking place today is that Walter Mondale is beginning to sound like the old conventional orthodox wing of the Republican Party, which made reducing deficits its single overriding goal. Now it is the Republican Party that is actually talking about jobs and growth and rebuilding a liberalized trade system that would be more encouraging to the world.

Today there is not more tolerance of the deficit as much as there is a recognition that all deficits are not created equal. New York City's deficit, predicated on spending, is different from a deficit resulting from a contraction of the economy. High utilization of plant capacity and high levels of employment can reduce such a deficit. This recovery is somewhat different from a typical Keynesian recovery because it is not consumption-led. Despite our critics, it is an investment-led recovery.

You must not judge the deficit only at the federal level. The total national, state and local deficit is about \$100 billion to \$110 billion. In a \$3.8 trillion economy, that deficit is not as bad as the hysteria would have us assume. We should not panic. We should cut spending where possible. But a relentless pursuit of growth and jobs and extension of this recovery is the single most critical thing available to us to get the deficit down. ■

WOOL. It's the best feeling.



PURE WOOL

Good looks that last.

SPITALNICK & CO. by Cynthia Steffe

THERE'S NOTHING YOU CAN'T DO IN CANCUN.

You can:

- Discover coral reefs.
- Uncover Spanish galleons.
- Play in ancient plazas.
- Stay in modern comfort.
- Windsurf.
- Jet ski.
- Shop until you drop.
- Visit ruins of ancient Mayas.
- Fish in water teeming with tuna.
- Disco 'til dawn.
- Scuba 'til sunset.
- Putter around a golf course.
- Lounge around a pool.
- Hail a Hobie-Cat.
- Try a Hydro-Foil.
- Work on your serve.
- Beef up your backhand.
- Fly in a thrilling Para-Sail.
- Glide in a lazy Ultra-Light.
- Star gaze.
- Sun bathe.
- Bask in the warmth of Mexican hosts
- And yes, you can even hitch a ride with a giant sea turtle.

CANCUN, THE EXCITING
CARIBBEAN ISLAND

Call your Travel Agent. ©1984 FOCHAFUR, MEXICO TOURISM

Archaeological site at nearby Tulum.



... And Ladies of the Club

Women in Dallas showed signs of comfort, and discomfort

That careful collage of floral arrangements, good thoughts, party favors and salad known as the ladies' lunch has always been something of an art form among Republican women, or at least among those who seemed to dominate in Dallas last week. For certain circles, Nancy Reagan has transformed a sprinkling of fresh raspberries in a tart shell into something approaching the national food. Ballrooms were packed at lunchtime with women who described themselves as mainstream. At a Monday lunch given by Anti-ERA-Activist Phyllis Schlafly, Dorothy Kranhold, an alternate delegate from Danville, Calif., said, "It amazes me that people would think this is not a cross section of the American public." She waved an encompassing arm at the room full of overwhelmingly white, conservative, married women whose greatest mark of diversity was whether they wore silk or synthetic. They were not all rich, but they were, certainly, women who could afford a choice of life's options without worrying about child care or job training. Even so, the message that they delivered from the Dallas showcase in this, the year of women in politics, was decidedly mixed.

The idea that a concern for menus and hair styles can coexist comfortably with knowledge about the national debt and Nicaragua is a new one to many of the women who went to the convention, and the synthesis is as yet imperfect. At the Schlafly party, retired Lieut. General Daniel Graham's book on Star Wars defense systems, *We Must Defend America*, was a party favor, along with Texas-shaped cakes of soap. The main event of the afternoon was a fashion show in which the models included the wives of James Baker, Jack Kemp and Robert Michel. They were introduced by both their own name and their husband's name, and a notation of the number of children each had. The hit of the runway parade was a 3-ft.-tall milk elephant.

On Wednesday, at a lunch honoring Nancy Reagan, the *pièce de résistance* of the convention's distaff side, Barbara Bush paid tribute to the First Lady's love of beauty: "The White House is sparking these days, and the meals are superb." Reagan, in response, quoted Eleanor Roosevelt: "I have never wanted to be a man. I have often wanted to be effective as a woman. But I never thought that trousers would do the trick." The audience of about 1,800 women, virtually none of them in pants, applauded, as they had applauded reminders that the Republican Party had been the party of Susan B. Anthony and the drive for suffrage.

They also applauded (if somewhat more warily) Joan Rivers' suggestion that the Democrats "should have called for Dolly Parton. They could have gone in Fritz and Tits. They would have had three boobs in the White House." Among her

other somewhat tasteless barbs: "A woman in the White House. Big deal. John F. Kennedy had a thousand of them." The only luncheon favor was a large button with the motto NANCY REAGAN, OUR LOVELY FIRST LADY. Joanne Van Zandt, a county legislator from Rochester, N.Y., lamented, "It is sort of too bad, in a year when we are trying to be deeper, that it doesn't mention the more important, substantive things about her." Nancy Reagan was the convention's *belle idéale*, gracious and, as Secretary of Health and Human Services Margaret Heckler complimented her, "ex-officio member of the Cabinet

baum, who is pro-choice and pro-ERA, did not agree with the Republican platform and dismissed it as not widely read. However, a determined, disappointed Maine Congresswoman Olympia Snowe, whose efforts to introduce contemporary women's issues into the platform were coldly rebuffed, said: "If the platform doesn't mean anything, why do we bother? This one means a great deal to this party. It sets the tone and direction."

The 1984 Republican platform is, in some ways, more antifeminist than the 1980 one. It does not, for example, acknowledge that some Americans, including some Republicans, have differing views on abortion and the ERA. It repeats many of the themes of 1980, and those themes translated into policies. For example, the Reagan Administration has



A diversity marked by who wore silk or synthetic: Nancy Reagan greets Comedian Joan Rivers. Across the baskets of rolls, polite disagreement over the G.O.P.'s stand on ERA and abortion.

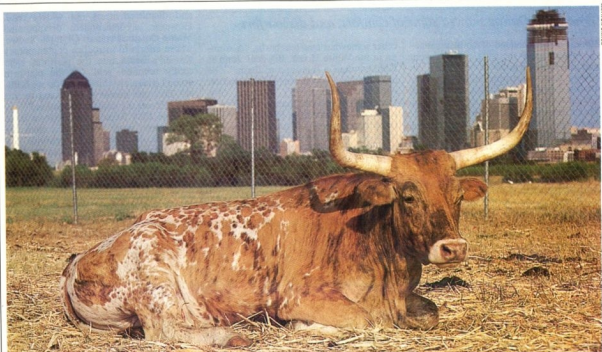
Without Portfolio." Rosalynn Carter was pilloried for holding the same position.

Transportation Secretary Elizabeth Dole, pretty, married and powerful, seemed to inspire both awe and anxiety in the delegates. She summed up the mixed emotions of the women who gathered in Dallas: "Throughout our society today women have moved into fields of work once reserved for men. It's fascinating." But for the benefit of traditionalists, she added, "I continue to believe that the most important of careers and most challenging is that of homemaker and mother." Nancy Reagan also discussed this conflict that many women face when she was asked at a meeting with TIME editors whether she was a feminist. "I am not sure what a feminist is," she answered. "Different women want to do different things, and that should be up to them. I don't think they should be forced. If they want to stay home, fine. If they want to have a career and become a welder, fine." She insisted that while she acts as her husband's confidante, she does not advise him on policy matters.

Senator Nancy Kassebaum of Kansas said in Dallas: "Most men of either party don't know to deal with women. We have to get the novelty stage behind us." Kasse-

baum, as promised, to solve the problem of teen-age pregnancy by cutting funds for sex education and contraceptives and by creating programs that encourage teenage chastity. In 1980, conservatives promised to seek limitations on Title IX of the Education Amendments of 1972, which included funding for women's sports programs. The promise was fulfilled, and the goal was restated in this year's platform, even as delegates hailed female Olympians who directly benefited from Title IX.

Occasionally, across the baskets of rolls and the antichokes, delegates would confess to being a bit more moderate on abortion than the Administration—which opposes abortion even in cases of rape or incest—and being disappointed at the omission from the platform of any kind of language supporting an Equal Rights Amendment. But those doubts were quietly voiced. Being polite is a root value for the Republican ladies who lunched in Dallas, and they left town with many of their personal and political conflicts unresolved. Some may have taken comfort, just as others surely took discomfort, from Joan Rivers' jest: "I don't do housework. That's the fun of being a Republican. You don't have to do housework." —By Jane O'Reilly



STEVE BRULIN

The city seemed the apotheosis of Republicanism during the convention, but it might look much different in quieter times

Tell Me, What Was It Like?

An essayist offers a personal look at doings in Dallas

CONVENTION



What should have looked ridiculous turned out to be strange. What should have been moving was eerie. What should have felt impressive was irritating; irritating impressive; dead alive, and

vice versa. From Saturday on, nothing came off quite as a visitor expected. Dallas tooted and bubbled, awaiting the arrival of him whose political philosophy justified Dallas' existence. Yet it seemed that Ronald Reagan would enhance Dallas no more than Dallas would enhance him, and that he was coming to confer his blessing on the place he wished America to be.

Yes, yes. But what about the hats? Weren't there any funny hats?

Oh, sure. Plenty. Cowboy hats, sun hats, a couple of tricornes, several cardboard crowns, a red-white-and-blue beret. California wore black Zorro hats, and a delegate from New Jersey had an elephant head on his head—if that counts as a hat. One woman at the convention wore a straw skimmer with an elephant on top, which also wore a hat, an Uncle Sam. She was holding a Cabbage Patch doll, which wore another skimmer, on which stood another elephant.

And parties? There must have been some crazy parties.

Modified crazy. Sunday night there was a party thrown by a woman who claims to have built the world's largest closet, leading to the world's largest bathroom. I inspected both and could recall none larger. The night before, I went to a charity ball attended by hundreds of handsome people in gowns and tails and by an elephant, a tiger and a leopard, also in tails. The cats appeared to have been doped. The evening's highlight was an auction that raised \$30,000 in ten minutes and offered a trip to Europe (which for some reason included Egypt) and a necklace worn by a good-looking brunette named Kimberly. After the necklace went, they auctioned off Kimberly's dress. Before any more parts of Kimberly could be sold, everybody danced.

Anything weird about the people?

No weirder than people at a formal party anywhere, except perhaps the faces of the women, which looked as

if they had been worked on for days. Couples glanced furtively at other couples, flashed grins, hugged decorously, waved modestly, hailed one another not too loudly. They paid only scant attention to the animals in whose presence they chatted vigorously. The elephant looked lost in thought. It was more sophisticated than the baby elephant seen in Neiman-Marcus later in the week, over whom shoppers goned. If I had arrived earlier at the closet

lady's party, I would have seen yet another elephant, which played the harmonica and waved the American flag. But I missed that.

You mean you didn't see any real Texas characters?

Well, there was the Texas Kid, or Willard Watson, as he calls himself when he isn't working on his folk art. The Kid is 63, the grandson of a slave, been shot at nine times and married seven, once on a \$100 bet. The Kid exhibits his art work on his front lawn. ("I used to have such a beautiful yard," said the wistful Mrs. Watson, who also used to have a nice piece of white rug before the



STEVE BRULIN

How crazy were the parties?

Kid turned it into a hat.) The Kid makes found art. An aluminum shark, a tin cow, a pair of pants on sticks, originally meant to be a sculpture of John Henry but never finished, thus called *Half of John Henry*. The Kid makes suits out of Naugahyde.

The Kid seemed wholly removed from Dallas and the Republicans, but he had Dallas' self-assurance: "I finish what nature starts." You want to know what the week was like? It was like Hank Slikker, the gentle fellow who drove me in from the airport and who talked with equal enthusiasm about his Bible college and about "opportunity" and "space to spare" in Dallas. Dallas did not seem as thoughtful as Hank, but it appeared to live somewhere between the church and the bank. Saturday afternoon I walked among the gray and silver office buildings downtown, each showing off another in the tall sheets of reflecting glass, like dark vertical lakes. Buildings going up and up. One, as yet unfinished, had windows only part of the way up the structure, like a woman pulling on a stocking. Sex was somewhere in this mix. The air was filled with heat, jackhammers, and church bells playing *How Great Thou Art*.

That was what the week was like. Above or below all the concrete political speculations and the normal nonsense connected with conventions ran an attitude—not a trickle of an attitude like Dallas' Trinity River, but a Mississippi, a Missouri. The attitude involved money only indirectly. Money seemed but a natural consequence of a way of life that called out, as did Paul Laxalt on Wednesday night, for "growth, growth and more growth." The pessimism of the Democrats, which Vice President Bush decried, that was not for Dallas. Caution, timidity, they were not for Dallas. Why, don't people say that Trammell Crow, the warehouse king, added a \$160 million wing to the Loews Anatole Hotel just to get Reagan to stay there? And didn't Reagan exult upon arriving, "I've always felt I carried some of that Texas spirit with me 365 days a year"?

I could have found no better spokesman for Texas spirit than former Republican Governor Bill Clements, "born and

raised in Dallas," and a serious historian of the state. He had much to do with bringing the Republicans to Dallas.

So you *did* meet a wild and woolly Texan, after all. Wasn't Clements the one who asked Governor Jerry Brown a question at dinner, and when Brown said he'd like to consider his answer, asked, "Can't you think and eat at the same time?"

Clements wasn't ornery when we talked in his office. He looked like a scholar surrounded by his books, like a scholar who had known action somewhere; a Harry Truman or John Wooden. "Free spirit, high energy, risk taking, the strength of one's convictions—that's what Dallas is all about," said Clements. "All these marvelous buildings." He gestured toward downtown. "These buildings only exist because of entrepreneurs."

He called Dallas a frontier. He talked about the 1820s, when his people first came to Texas. Land was grabbed up at 10¢ an acre. Now the new entrepreneurs occupy office buildings instead of ranges. But there is more than that to Dallas. People are taken at face value here, he said, "as long as they pull their own oar." Clements pulled his own oar. He built up an oil-drilling business called Sedco. The Sedco building is not a shiny tower but a set of refurbished work offices housed in the shell of the first brick school in Dallas. The books that surrounded him were part of an 8,000-volume library of Texan history and lore that Clements has been collecting since the 1940s.

Sam Houston, Santa Anna, the Civil War, Reconstruction; he is fluent in such things. I wondered why most Texans, for all their free anti-Government spirit, are Democrats. Because a Republican Governor was foisted on the people during Reconstruction, he said, and Texans don't forget. "I was the first elected



A hat one never forgets

Republican Governor of Texas." Texas stayed Democratic with Roosevelt, because "Roosevelt was the Moses of the 1930s." Is Reagan the Moses of the 1980s? "Texans relate to him. He says the right things. He looks the right way. His manner is Texas."

Where does religion fit in all this? He couldn't say exactly where, but he knew it was around. Businessmen regularly start the day with Bible-study breakfasts. Dallas contains the largest Southern Baptist congregation in the

country, he told me, and some of the largest Methodist, Episcopal and Presbyterian churches. And 59.2% of Dallas County voted for Reagan in 1980. "There's a message here," said Clements. "It has to do with the work ethic. We believe in hard work. Dallasites are very generous, give millions to every charity you can name. But they don't believe in the dole." I told Clements about a Texas delegate from Woodville who said she turned Republican after the people she hired for her hotel quit on her because they could earn more on welfare. Clements nodded: "She was saying to you: 'These people have no pride!'"

Sunday evening I went to a church service. Pentecostal; the kind of church the more sedate denominations seem to look down on. But the Pentecostals explicitly advocate the hard work Clements was talking about. And most Pentecostals are likely to vote Republican. Besides, they can really sing.

A revival meeting?

Not exactly, although there were similarities. The church was in Richardson, a Dallas suburb, and the congregation (the place was packed) was white, black, Mexican, Oriental, well dressed and not. Small children stretched out on the benches and worked on coloring books. The women wore only faint touches of makeup. At

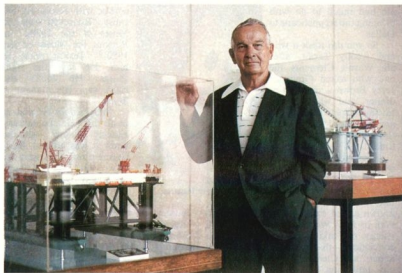


"World's largest bathroom"; none disputed the claim



A guest takes a handout on a Dole

Nation



Former Governor Bill Clements: "Free spirit, risk taking, the strength of one's convictions"



The Texas Kid: "I finish what nature starts"

6 p.m., the temperature was still 108°. "I know it's hot in here," said the minister, standing before a huge gold cross, "but let's just worship the Lord and forget about it."

The church was white and simple, like a Quaker meetinghouse, but there were no moments of silence. To the minister's right, a piano and an electric organ; to his back, the choir; to his left, a traps set the size of a pile of boulders. One black soloist was so good she brought tears to your eyes. Bodies swayed and shook, hands clapped, people danced in the aisles, one girl barefoot. On individual impulses, members raised both arms aloft: "Hallelujah!" Deep murmurs of "Amen" and "Sweet Jesus," while the songs built and built, ending only after the last drop of passion was spent. Then the congregation applauded, as if giving God a hand. Immediately, another song would start, and the fervor would build all over again. A dapper young man in a white linen jacket shut his eyes in prayer. A young couple came forward to sing a hymn in staggered verses, like Johnny Cash and June Carter. "All things are possible," said the minister. "Ask! Ask! Ask!"

At the convention, the delegates looked like the Pentecostals. Instead of raising hands to God, they waved little American flags at things in the speeches that pleased them. Instead of singing, they whooped and cheered. Many were inattentive to what were, to my ears, some of the worst convention speeches ever given. But just as many were lost in ecstatic glazes. In church a woman with swollen legs stood in her pew at the laying-on of hands and approached the altar for a cure. In the Convention Center a woman in a wheelchair rose up on her cast to shout for Jeane Kirkpatrick.

Aren't you making a bit much of this?

Probably. But that was the feeling. And there was almost nothing in the week that counteracted it. The Tent City of the anti-Reagan demonstrators sat on low and steamy land in the Trinity River bottom, overlooked by the new county jail. The demonstrators were spirited, happy to have registered new Democratic voters. But they seemed out of place in Dallas. So did the Dead Kennedys, a punk rock group that might be out of place anywhere. They performed across from the Convention Center Tuesday night in an open lot that looked like street theater of the 1960s: painted faces, trash, a kid with his hair stuck up like a rooster's comb, wearing what appeared to be a dog collar. A cruel sign was drawn on the back of a sleeveless T shirt: GIVE HINCKLEY A SECOND CHANCE.

But these were sideshows. At the site of John Kennedy's assassination, a fellow who looked like a hippie of 20 years ago

leaned on a wall and contemplated the Hall of Records near the former Texas School Book Depository. Tattooed, shirtless, his blond hair tied in back, he told me he was staring at the Hall of Records because that was where the fatal shots had to have come from. He was a second-grader in Wichita Falls when Kennedy was killed, but he is convinced that the country was lied to. Another museum piece. If a cop had seen him, he would have been told to move on and out. Vagrants were not tolerated during convention week.

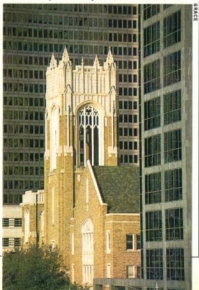
Did you have a good time?

Sort of. The Dallasites were open, cordial, if not quite as celebrative as one thought they would be. I had the feeling that Dallas was straining to enjoy itself, but that's to be expected if you pin such extravagant high hopes on enjoying yourself. To tell the truth, it was hard to see Dallas for the convention, and while the city seemed the apotheosis of Republicanism as long as Republicans were stomping about, it might look much different in quieter times. An obscure and special soul lies behind the reflecting towers and the crape myrtles and the still, pink mansions on Lakeside Drive. It wasn't open to the visiting public. There was no reason it should have been.

Mornings from my hotel room, I would watch the city get in gear before sunrise, the office buildings still lit from the night, while chains of cars rolled quickly along the curving highway with their headlights shining. You do feel the confidence. I'll tell you my strongest memory, though. One morning at Market Hall, where the convention had its gift bazaar, a man mistook a glass wall for an open door and crashed straight into it. The window exploded all over him. I held his face to assess the damage, but he got off lucky: shaken up, with a scratch on his nose. He was sure he had been heading for a door because the space looked so clear.

—By Roger Rosenblatt

Churches symbolically as tall as offices



One drive is worth
a thousand words.

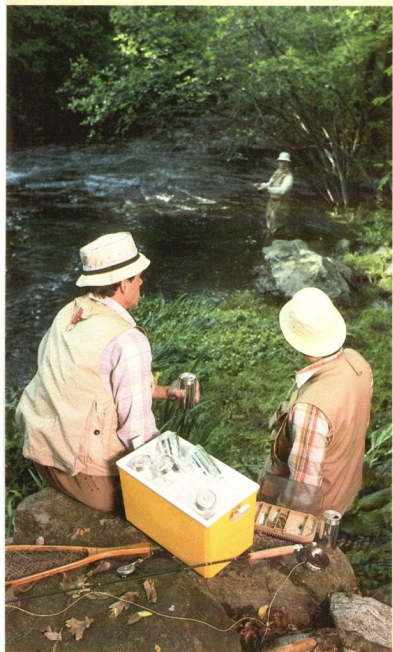


Thunderbird

Have you driven a Ford...
lately?



Get it together—Buckle up.



Anywhere, anytime, anyplace...recyclable



A few of the many brands available in the recyclable aluminum can.



aluminum cans are always in good taste.

Recycling is growing more popular each year. Today, over half the aluminum beverage cans made are recycled. So enjoy your favorite beverage in aluminum cans...because they're always in good taste. And be sure to bring them back for recycling. The trend is right.



ALCOA

Second-hand smoke: Let's clear the air.

Can cigarette smoke in the air cause disease in non-smokers?

That's an emotional question for smokers and non-smokers alike. So we'll try to set the record straight in the most direct way we know.

There is little evidence—and certainly nothing which proves scientifically—that cigarette smoke causes disease among non-smokers.

You don't have to take our word for it.

U.S. Surgeon General Julius B. Richmond—who was no friend of smoking—said in his 1979 Report: "Healthy non-smokers exposed to cigarette smoke have little or no physiologic response to the smoke, and what response does occur may be due to psychological factors."

And in the 1982 Report, Surgeon General C. Everett Koop could not conclude that passive smoking is a cause of cancer in non-smokers.

The director of the National Heart, Lung and Blood Institute, Dr. Claude Lenfant, has been one of the tobacco industry's sharpest critics. Yet Dr. Lenfant stated in 1980 (and we believe it remains true today) that "the evidence that passive smoking in a general environment has health effects remains sparse, incomplete and sometimes unconvincing."

We've decided to speak out on passive smoking because there is so much rumor and rhetoric on this subject today. And we intend to continue, from time to time, to speak out on other topics of concern to you and to us.

Our critics may try to discredit these messages as self-serving. In a sense, they will be right. We will challenge allegations that are unproven and attacks we think are unfounded. If that is self-serving, so be it.

The questions that surround smoking raise many important issues. We believe that you're entitled to hear all sides of these controversies.

R.J. Reynolds Tobacco Company

American Notes

CALIFORNIA

Collision over San Luis Obispo

The sky was clear, as a Wings West commuter plane carrying 15 people took off from the San Luis Obispo airport for San Francisco, some 200 miles to the north. Meanwhile, a flight instructor and his student were flying near by in a single-engine plane. The aircraft met without warning at 3,000 ft. The flaming wreckage plummeted to the ground, killing all 17 aboard.

The San Luis Obispo airport is considered too small to have a control tower, so no one was in charge of guiding the traffic. Aircraft taking off and landing are supposed to use the same radio frequency so that they will be aware of other planes in the area. In 1979 five people were killed when a plane crashed on a ridge near by, and a year later there were two near-misses in the air. Still, the Federal Aviation Administration has turned down San Luis Obispo's requests for a tower. "Since the air controllers' strike, the FAA's position has been to decommission towers rather than commission them," says George Rosenberger, the airport's acting manager. "We feel we qualify for a tower, but it's a very expensive process."



Officials view remains of crash victims

DALLAS

Fire Strikes a Grim Monument

Perhaps the most morbid of America's national landmarks was set ablaze last week in Dallas. Arsonists started a fire in the basement of the old Texas School Book Depository, the red brick seven-story structure, now the Dallas County administration building, from which Lee Harvey Oswald shot and killed President Kennedy in 1963. Because the decades-old sprinkler system had been turned off for repairs, flames made their way through the building walls. It took 100 fire fighters two hours to control the blaze, which damaged only the first two floors of the structure. "Whoever did it might have had a key or hid in the building," said Fire Marshal Jim Badgett. In the basement where the fire originated, assassination memorabilia, including old photographs, were destroyed.

The arson occurred in the early morning of the Republican Convention's final day. Earlier in the week, Mary Kay Ash, the cosmetics tycoon, embarrassed many of her fellow Dallas residents with remarks she made about the School Book Depository in a nationally televised interview. "I think what we should [do] is tear that building down," she said, "and make a parking lot out of that thing and not have it there for people to remember."

JUSTICE

The Battle of Agent Orange

For thousands of Viet Nam veterans, the longest battle of America's most unpopular war still rages—in U.S. courtrooms. Last May a \$180 million settlement was reached in the class-action suit against seven chemical companies that manufactured Agent Orange, the dioxin-contaminated defoliant that the military sprayed over Viet Nam from 1965 to 1970. The plaintiffs claimed that Agent Orange had caused, among other things, skin disorders in many of the soldiers and birth defects in some of their children. Judge Jack Weinstein of New York, who worked out the

mass-damage award, is now holding hearings to gauge reaction to the settlement before he decides whether to approve it.

Last week in Atlanta, several veterans wept as they testified about their suffering. Adding tension to the proceedings was a study released by Atlanta's Centers for Disease Control, which concluded that soldiers exposed to Agent Orange had no greater risk of having babies with birth defects than did the general population. Said Woody Willis, head of the Nam Vets of Georgia organization: "My gut reaction is that they're trying to sell us down the river like they have in the past."

MISSING PERSONS

Return of a Runaway Dad

Most people know the urge to chuck it all. Almost two years ago, William Catterson acted on that dark impulse. He worked nights as an assistant manager of a fast-food restaurant; his wife worked days as a teacher, leaving Catterson at home in Lodi, N.J., to take care of their two small children. The marriage became strained. One night, after calling to say he would be home late from work, Catterson took a bus to Atlantic City, and then headed for Fort Lauderdale, Fla., where he lived and worked under an assumed name.

Last week Catterson saw his photo in an ad for an HBO film, *Missing Persons: Four True Stories*. He returned to New Jersey and saw the program in a motel room. After watching the

scenes of his grieving family, Catterson went to the Lodi police, who helped track them down. Ironically, they had moved to Tarpon Springs, Fla., about 200 miles from Catterson's new home. "I'm ecstatic," said a forgiving Patricia. Said the returned husband and father: "It looks like everything's working out wonderfully for us."



A family reunited by television

THE MILITARY

Complaints About Quality

"Loose screws, exposed wires and improper soldering." These were among the defects cited by the Defense Department in three of its most important missile systems, all of them made by Hughes Aircraft Co., in Tucson. Last week the Pentagon said it would stop \$38 million in progress payments to the company in what may be the most sweeping crackdown on a military supplier in recent history.

The Navy was the first to complain, declaring in July that its Phoenix air-to-air missiles, being supplied by Hughes at close to \$1 million apiece, showed evidence of "marginal workmanship." The Air Force followed suit with complaints about its heat-sensing air-to-ground Maverick missiles, which cost \$100,000 each.

The Army has been experiencing problems with shipments of its old stand-by, the TOW antitank missile, and ordered a recall of 1,300 that had already been delivered to U.S. troops in Europe.

Hughes says it has suspended work on the missiles "as part of a far-reaching effort to improve production quality," and has delayed delivery of sophisticated radar systems that go into F-14, F-15 and F-18 aircraft. The Pentagon has given Hughes until Sept. 1 to come up with a plan to improve its work.



Worrisome Mavericks

EAST-WEST

Echoes Across the Gap

With relations on hold, the superpowers hurl weighty words at each other

Words, not deeds, have now become the measure of superpower relations. After each new difficulty, it seems, Washington and Moscow have tried to match charge with countercharge. As the distance separating the U.S. and the Soviet Union has grown wider, those words have begun to echo loudly across the gap. The world last week still heard the shrill rever-

sounding anti-Sovietism that he indulged in early in his Administration and later toned down under criticism.

In a less than subtle reference to the Reagan gaffe, a Soviet commentator for the Novosti press agency last week declared that the Republican Party platform adopted in Dallas echoed "most of the inane statements made by President Reagan over the past years, which have

passed up the opening ceremonies of the Friendship '84 Games, Moscow's answer to the Los Angeles Olympics, letting Politburo Member Mikhail Gorbachev preside in his place. None of this proved that Chernenko's health, already frail, has deteriorated. But suspicious Soviets were quick to draw parallels with the late Yuri Andropov, who went on vacation last August and did not reappear in public before his death nearly six months later.

For all the words coming out of Moscow and Washington in recent weeks, the superpowers for most of this year have refused to engage in serious dialogue, preferring instead to concentrate on scoring propaganda points off each other. Last June the Soviet Union invited the U.S. to talk in Vienna in September about, among other issues, banning antisatellite weapons in outer space. The U.S. accepted but could not swallow Soviet preconditions, so the talks have not convened. Instead, relations have settled back into the jittery holding pattern that began when the Soviets quit nuclear-arms talks late last year to protest the deployment of new U.S.-built Pershing II and cruise missiles in Western Europe. In a direct response to that deployment, the Soviets last week announced that they are testing ground-launched cruise missiles of their own.

The Kremlin seems to expect Washington to make the first move toward conciliation, and may have decided to wait out the U.S. elections. The President has so angered the Soviets that even his occasional efforts at accommodation—toning down his anti-Soviet rhetoric, accepting a Soviet proposal for a ban on the use of force in Europe—have met with a cold rebuff. Says Radomir Bogdanov of Moscow's Institute for U.S.A. and Canada Studies: "Our relations are at the lowest point since World War II, and what is very disturbing is that a kind of hopelessness is setting in, a feeling here that it is impossible to improve relations with these people."

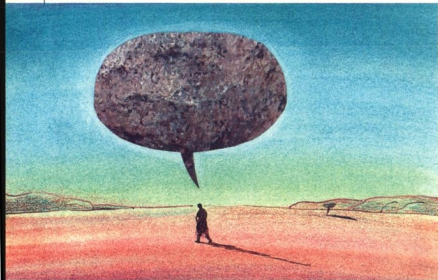
Some members of the Reagan Administration find the Soviets equally difficult to deal with. U.S. Ambassador to the United Nations Jeane Kirkpatrick sounded that theme in her address last week before the Republican National Convention. Reagan's 1980 election victory, she said, marked the end of a "dismal period of retreat and decline," in which the Soviets had built up their arsenal and expanded their global influence. Blasting critics of Reagan policy, Kirkpatrick recited a litany of Soviet actions from the 1979 invasion of Af-

berations from President Reagan's unfortunate joke about bombing Russia. As the Soviets took full advantage of the incident with denunciations and pious indignation, the Reagan Administration weighed in with yet another affront: the message that it considers the Soviet subjugation of Eastern Europe to be far from permanent. Amid all this, the level of international anxiety was raised by persistent rumors that Soviet President Konstantin Chernenko was in poor health.

When President Reagan quipped on Aug. 11 that he had outlived Russia and would begin bombing in five minutes, he little suspected that his off-the-cuff remark would bring such a storm of protest. If many Americans had already forgotten, the rest of the world was still talking about a gaffe that seemed to reinforce the worst stereotypes of Reagan as the trigger-happy cowboy President. Even to many in the U.S., the President's rhetoric of late has lapsed into the stark, sometimes reckless-

sent shivers down the spines of people in many countries, especially [in] Europe." Moscow's chief negotiator at the 40-nation disarmament talks in Geneva made a point of putting the President's jest on the official record to illustrate U.S. "hostility" to the Soviet Union. In Western Europe, the West German weekly *Stern* appeared on newsstands with a cover that depicted Reagan wearing a clown's red plastic nose. Underneath were the words: **PRESIDENT REAGAN'S JOKE: TO BE LAUGHED TO DEATH!**

The concern about Chernenko's health arose from the fact that he has not been seen or heard from since he began his vacation at an undisclosed location on July 15. The new Soviet leader has issued no policy statements and summoned no leaders from the Warsaw Pact for private chats in the Crimea, as did Leonid Brezhnev during his summer vacations. Chernenko also



ghanistan to the downing of Korean Air Lines Flight 007 a year ago this week. Said she: "The American people know that it is dangerous to blame ourselves for terrible problems we did not cause."

Only a few days earlier, Kirkpatrick's boss had given Moscow a good example of what she meant. Addressing a White House lunch for Polish-American leaders, the President said that the U.S. could not passively accept the "permanent subjugation of the people of Eastern Europe." Reagan cited the 1945 Yalta Conference, at which Roosevelt, Churchill and Stalin discussed the fate of postwar Central Europe. Said Reagan: "[The U.S.] rejects any interpretation of the Yalta agreement that suggests American consent for the division of Europe into spheres of influence." Secretary of State George Shultz carried the same message to the Veterans of Foreign Wars, gathered in Chicago last week for their annual convention. "We will never accept the idea of a divided Europe," said Shultz. "We may not see freedom in Eastern Europe in our lifetime. Our children may not see it in theirs. But some day it will happen."

The division of Europe that followed Yalta has, in fact, long since been tacitly accepted in the West. But the failure of the Soviet Union to meet the agreement's call for free elections in postwar Eastern Europe still provokes anger among some U.S. policymakers. Such concern over the fate of "captive nations" has been held in check by a more pragmatic sense of the limits of U.S. power and influence within the Soviet bloc. Administration officials denied that the Reagan and Shultz speeches signaled any new departure, but the growing strains between the Soviet Union and its East European allies have been watched with fascination in the White House.

The U.S. has sought to encourage greater independence from Moscow through a policy of "differentiation." Explains a senior State Department official: "What we're prepared to do is reward those countries that differentiate themselves from the Soviet Union in terms of their foreign policy, like the Rumanians, or in terms of their internal policies, like the Hungarians." But overt calls for independence and self-determination, says Dimitri Simes of the Carnegie Endowment for International Peace, may be risky: "Given the current status of the U.S.-Soviet relationship, any declaration of that nature is going to generate a particularly hostile reaction in Moscow."

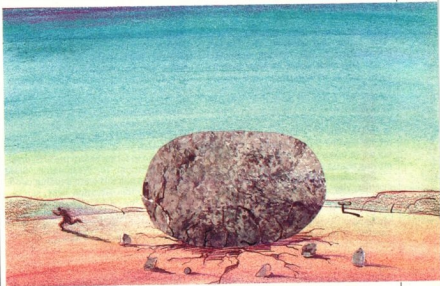
Reaction to Reagan's Yalta speech came swiftly from the Soviets, who consider the preservation of Europe's postwar boundaries one of the major objectives of their foreign policy. Moscow is particularly sensitive even to hints of the reunification of the two Germanys, which the Soviets find threatening both militarily and politically. The official news agency, TASS, said that Reagan's speech did nothing less than "challenge the postwar political setup in Europe." Says Bogdanov:

"We paid too high a price to take his words lightly. There is only one way to change the results of World War II and that is by fighting World War III."

The Kremlin's problems with the two Germanys cannot be blamed on Reagan. Moscow originally encouraged East German Communist Party Leader Erich Honecker to seek closer ties with the West before NATO began to deploy new nuclear weapons in Western Europe. But in the months since Pershing II missiles were installed in West Germany, Moscow has subjected the government of West German Chancellor Helmut Kohl to a steady barrage of criticism and expected the East Germans to do the same. Instead, Honecker has pursued détente. He has eased emigration restrictions so that 27,182 East Germans were allowed to leave for the West this year. He has negotiated a \$333 million loan with West German banks and gone ahead with plans to visit West Germany in September, the

of Rumania, first class. Ceaușescu has refused to permit Soviet troops to be stationed on Rumanian soil and has opted out of Warsaw Pact plans to counter the new NATO weapons by installing Soviet missiles in Eastern Europe. The Rumanian leader told the Brazilian daily *Jornal do Brasil* last week that his country "is determined not to accept any kind of nuclear weapons on its territory."

Meanwhile, there are no signs that any movement can be expected soon in stalled East-West relations. Administration officials hope that the U.N. General Assembly session that opens in September will provide the venue for Soviet Foreign Minister Andrei Gromyko to talk with Shultz—and possibly with Reagan. In the aftermath of the KAL 007 crisis, Gromyko was refused entry last year to international airports in New York and New Jersey, and he decided to cancel his annual U.N. appearance. The veteran diplomat has been included on this ses-



first such trip by an East German leader.

The daily *Sovietskaya Rossiya* last week joined the orchestrated campaign against West German "revanchism," the desire to restore the boundaries that existed before World War II. The Soviet newspaper warned that Bonn wanted to achieve "what Hitler dreamed of—the hegemony of German militarism over Europe." Moscow had a more subtle message for Honecker. When *Pravda* reprinted an interview with the East German leader, portions dealing with closer relations with West Germany were deleted.

The Soviet Union may dislike Honecker's show of independence, but that show has been supported by Rumania, which has often declined to follow the Kremlin's foreign policy line. When Honecker traveled to Bucharest last week to attend ceremonies marking the 40th anniversary of Rumanian independence, President Nicolae Ceaușescu presented him with the Star of the Socialist Republic

of speakers, but there is no official word from Moscow about his plans.

Until the deadlock is broken, every utterance by Moscow and Washington will be freighted with significance. The Reagan bombing quip, repeated and amplified by the East bloc's controlled press, has poisoned the already contentious atmosphere. "Nobody should ever joke like that, even in his thoughts or dreams," said a Polish retiree. Said a Moscow student: "If it's true, it means Reagan hates all of us, not just our politicians." An elderly Soviet housewife angrily noted that "such words could only come from a person who has never lived through an air raid." But a Hungarian electrician recently discharged from the army had a different view. The President's five-minute warning, he said, provided enough time for a counterattack—and a global nuclear holocaust—to begin.

—By John Kohan.
Reported by Erik Amfitheatrof/Moscow and
Ross H. Murro/Washington



Focus of contention: nearly completed Punta Huete airport, which the Reagan Administration fears may be used for advanced military aircraft

DIPLOMACY

The Secret of Manzanillo

Publicly hostile, the U.S. and Nicaragua are privately talking

While rancor flew between Washington and Moscow, the Reagan Administration was making optimistic noises last week about another troublesome foreign relationship. The signals hinted encouragingly at progress in a two-month-old series of secretive bilateral talks aimed at easing the undeclared hostilities between the U.S. and the Sandinista government of Nicaragua. Said a U.S. official familiar with the talks: "You can say we've taken the first step toward improving relations."

Sandinista leaders appeared to confirm that view. Following the latest round of discreetly private meetings between the two sides in the Mexican resort town of Manzanillo, Sergio Ramirez Mercado, a member of Nicaragua's governing junta and the Sandinista candidate for Vice President in national elections set for Nov. 4, declared, "For the first time, we're talking with the U.S. and not just listening to the U.S."

At the same time, however, Secretary of State George Shultz last week was taking a major public swipe at the Sandinistas. During his speech to the Veterans of Foreign Wars in Chicago, he charged that Nicaragua's November vote looks "more and more like sham elections on the Soviet model." As Shultz spoke, U.S. warships, including the battleship *Iowa*, cruised off the Nicaraguan coast. Their mission: to serve as reminders of the Reagan Administration's determination to stop the spread of Marxism-Leninism from Nicaragua to the rest of Central America. Meanwhile, leaders of the 10,000-member Nicaraguan Democratic Force of anti-Sandinista rebels known as *contras* declared they would intensify their guerrilla attacks against the Nicaraguan regime, despite a U.S. congressional cutoff in May of covert Administration aid to the war effort.

Confusing as the situation appeared to be, U.S.-Nicaraguan relations had indeed entered a new and intriguing phase.

Neither the Administration nor the Sandinistas have yet revealed any concessions in their quiet discussions. The chance that the two countries will resolve their differences any time soon remains, as a U.S. official put it, "slim." Nonetheless, both the Administration and the Sandinistas are working hard to demonstrate their seriousness and flexibility in the closed-door conversations. In particular, the U.S. is challenging the Sandinistas to come to terms before the U.S. presidential election. In Washington, State Department officials were exuding confidence that the situation was stacked heavily in the Administration's favor. Says a U.S. diplomat: "The question boils down to whether these guys know a good deal when they see one, and are capable of taking it."

The negotiating drama has been heating up since June, when Secretary of State Shultz paid a surprise visit to Managua, Nicaragua's capital, largely at the

urging of Mexican President Miguel de la Madrid Hurtado. In discussions with Junta Coordinator Daniel Ortega Saavedra, Shultz inaugurated what amounts to a fight-and-talk approach to U.S.-Nicaraguan diplomacy. After years of shunning direct negotiations with the Sandinistas, Shultz agreed to open formal channels of discussion on improving relations. But the Administration made no move to abandon its pressure tactics toward Nicaragua, notably covert support for the *contras* and the scheduling of nearly continuous U.S. military maneuvers in neighboring Honduras and off the Central American coast. Washington still considered those measures essential for forcing the Sandinistas to halt their export of Marxist revolution, particularly to nearby El Salvador.

Since Shultz's visit, the U.S. representative at the talks has been Ambassador Harry Shlaudeman, a highly regarded career diplomat. Shlaudeman has held four meetings with his opposite number, Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco: three in Manzanillo and a fourth at a motel on the outskirts of Atlanta. As a sign of good faith, both sides have remained determinedly cloistered about the discussions. U.S. diplomats in Washington, however, have revealed that only two of the meetings were spent on minor procedural issues. Says a U.S. official: "There has been no grandstanding or stalling. The talks moved quickly into a serious discussion of the issues that divide us."

The Administration has been asking for four concessions from Nicaragua: 1) an end to the Sandinistas' military ties with Cuba and the Soviet Union, including the removal from the country of some 3,500 Communist military advisers; 2) an end to Nicaraguan support for the Marxist guerrillas in El Salvador; 3) curtailment of the country's formidable military arsenal and of any plans to use Nicaragua's Punta Huete airport, still under construction, as a base for advanced military aircraft; 4) fulfillment of Sandinista promises to support political pluralism, meaning reversal of the country's drift toward a Marxist-Leninist dictatorship.



Secretary of State Shultz in Chicago

A fight-and-talk strategy.

Explore a Modern Frontier with Ancient Allure

Gold and Silver Futures Contracts
perfectly sized for individual investors.

Centuries ago, kings and queens commissioned explorers to chart new paths in search of gold and silver. Today, there is still the same boundless potential for individuals to discover profit opportunities in precious metals ... with Kilo Gold and 1000-oz. Silver Futures Contracts at the Chicago Board of Trade.

The size of these contracts lets you profit from gold and silver price fluctuations without spending vast fortunes.

For a free guide to CBOT gold and silver futures contracts, call or write: 1-800-621-4641. In Illinois, 1-800-572-4217.

Chicago Board of Trade
Mktg. Dept. Gold and Silver Futures
LaSalle at Jackson
Chicago, IL 60604

NAME

ADDRESS

CITY

STATE ZIP

030805

Forging Financial Frontiers for 136 Years.



Chicago Board of Trade

MRS. JOYCE RIDE

MOTHER OF SCIENTIST AND ASTRONAUT, DR. SALLY RIDE



When Sally was very young, it didn't occur to us that she might become our country's first woman astronaut. A generation ago, when Sally was growing up, women were not even included in the astronaut program.

Today, with more than half of our workforce already made up of women, statistics project that nine out of 10 of today's girls are destined to work for 25 to 45 years. Two out of five women will be heads of households responsible for the survival of others.

Young women across the country are realizing that they can work in jobs that have traditionally been held by men. More and more women are working, outside the home, not only because they want to, but because they need to. Unless they acquire solid skills while they are in school, many will be condemned to lives of unfulfilled potential.

Math and science courses will open a wide range of career options for those who are prepared; many opportunities will be eliminated for those who aren't.

Let's all work to insure that girls and young women will be able to provide for themselves and for their families, if necessary, in whatever occupation they choose.

There are ways in which parents can help prepare their daughters for the careers of the future. One of the most important is to stimulate their interest in studying math and science along with the humanities in school.



Another way is to help educators become aware of sex-biased attitudes, assumptions and practices that may still exist in their schools. For example, some counselors and teachers still encourage boys, but not girls, to study computer science and to make extracurricular use of computer equipment. Yet understanding of computers and mathematics is essential in business, medicine, engineering, sciences, and almost every area of life.

We do not remember telling Sally that there was something she couldn't do simply because she was a girl (with the possible exception of playing shortstop for the Dodgers). She was fortunate to have a few teachers who recognized her ability in math and sciences. It was they who lit the spark that eventually sent her rocketing into space. **The sky is the limit for girls today. Let's be sure they're ready!**

Joyce Ride

If you would like to know more about how you can help prepare yourself or your daughter for the jobs of the future through equal education, please contact:

Peer

The Project on Equal Education Rights
A project of the NOW Legal Defense and Education Fund
1413 K Street NW
Ninth Floor
Washington, DC 20005

Officially, Reagan Administration policy is that all four demands are inseparable. A U.S. aide said, "We're not prepared to assign priorities to them." In reality, however, it has been an article of faith among many in Washington that the demand for democracy is paramount. As a senior U.S. official in Managua put it in June, "Internal democracy solves all the other problems . . . if there isn't any, Nicaragua's threat to its Central American neighbors will not abate."

In return for those changes, the U.S. is prepared to offer infusions of assistance, especially to replace whatever funds Nicaragua would lose by cutting its ties with the East bloc. Says a U.S. diplomat: "As far as money, aid and investment go, they know we've got more to offer." U.S. officials also argue that the Sandinistas would win increased assistance from Western Europe, where aid to Nicaragua has dried up as once friendly governments have grown skeptical about the junta's intentions for installing pluralistic democracy.

In a bid to appear reasonable, U.S. officials dangle the possibility that the Administration's demand for internal democracy in Nicaragua is still open to interpretation. Says a senior Washington policymaker: "The question that concerns us is the way the regime holds power. That does not mean the Sandinistas have to go." What he has in mind is a Nicaraguan election that would include such figures as the *contra* leaders, who are currently banned from the country as traitors. In return, the election results would receive Washington's blessing, even if, as State Department officials expect, the Sandinistas win. Says a Washington diplomat: "We are pushing for something that would probably legitimize them. It is stupid for them not to concede."

Behind such expressions of State Department impatience is a feeling that Nicaragua's ruling nine-member National Directorate is split over the strategy that it should pursue in the negotiations. The prevailing speculation among U.S. policymakers is that Junta Coordinator Ortega, who is also the Sandinista candidate for President in the November elections, leads a pragmatic faction that is tempted to make concessions. According to that analysis, Ortega's hard-line opponents on the Directorate are led by Interior Minister Tomás Borge Martínez. Other experts are less certain of the Ortega-Borge division, but according to a U.S. analyst, "Ortega is the dominant personality, though he's not in charge of [Sandinista] policy yet. They've got to get out of that somehow if we're to make a deal."

Ultimately, that point of view depends on the assumption that Nicaragua is a country backed close to the wall and that the Sandinistas are aware that their plight might worsen if Ronald Reagan is re-elected. There is, in fact, little doubt that Nicaragua is now in trouble economically, and has suffered from attacks by the marauding *contras*. Robert Leiken, a senior fellow with the Washington-based



Vice-Presidential Candidate Ramirez and Presidential Hopeful Ortega campaigning

Carnegie Endowment for International Peace, describes Nicaragua's economic situation as "really rough, just unbelievable." Leiken cites food shortages in the countryside, wildcat strikes in Sandinista-controlled trade unions and widespread protests against the Sandinistas' use of national conscription to defend the country against the *contras*. Says a State Department policymaker: "We and the Sandinistas both know they could get a better deal before rather than after the U.S. election. This is probably the best opportunity both of us will have for some time."

That may still be either wishful or self-serving thinking. Whatever the Sandinistas may be saying in the discussions with Shlaudeman, they served notice last week that the issue of internal democracy may be beyond such negotiation. The Managua regime announced that it would uphold a ban on political privileges for a coalition of opposition parties, labor unions and business groups known as the

coordinadora. The coalition, led by Arturo Cruz Sequeira, a onetime junta member, had refused to register for the Nov. 4 elections, charging that Sandinista restrictions on political freedom made a truly democratic race impossible. Said Democratic Representative John Bryant of Texas, an opponent of Reagan Administration policies who was in Nicaragua last week on a fact-finding trip: "The signs of a [democratic] election are pretty negative, and that's discouraging to me as someone who voted against aid for the *contras*."

Meanwhile, in Nicaragua's northern border regions, the Nicaraguan Democratic Force (F.D.N.) was forging ahead with a new campaign. TIME's Jon Lee Anderson traveled to meet the rebels in the remote Bocay River valley in the department of Jinotega. Ferried to a rendezvous point controlled by the rebels about 50 miles from the border with Honduras, he met with the F.D.N.'s top military commander, Enrique Bermúdez Varela. Anderson reported that the rebel troops appeared "well fed, well armed and confident of eventual victory," despite their apparent loss of U.S. covert support. According to Bermúdez, the F.D.N. has the supplies to keep its 10,000 members fighting for at least six more months. Some of the support comes from sympathetic Latin American nations, some from private U.S. religious, political and relief organizations. Within the next few weeks, Bermúdez said, he intends to move the F.D.N.'s command structure into Nicaragua from its long-established sanctuaries in Honduras. Bermúdez also threatened to carry out attacks against unspecified Nicaraguan cities. The faint prospect of peace might be blowing in the wind at Manzanillo, but in the Nicaraguan countryside, the air was still heavy with the fumes of war. —By George Russell. Reported by Barrett Seaman/Washington and Janice C. Simpson/Managua



U.S. Ambassador Shlaudeman in Managua Quietly discussing a four-point agenda.

ISRAEL

Odd Couple

Likud and Labor go courting

The turning point came at Ezer Weizman's home last Wednesday morning, when the former Defense Minister told Shimon Peres, leader of the Labor Party, that he would join a Labor-led government. Peres was jubilant. For more than two weeks he had been trying to scrape together a coalition government to succeed that of Prime Minister Yitzhak Shamir and his Likud bloc. Starting with the 44 Knesset seats his party had won in July's national elections, Peres also enjoyed the allegiance of two small parties, bringing the total to 50. But he still remained shy of the 61 needed for a parlia-

mentary majority. By winning the support of Weizman and his party, Yahad, Peres picked up an additional three seats. More important, however, he dashed any lingering hopes Shamir might have had of wooing the pivotal Weizman to his side.



Shamir and Peres discuss the specifics of a national-unity government in Jerusalem. Disagreement over key issues, including who would be Prime Minister.

mentary majority. By winning the support of Weizman and his party, Yahad, Peres picked up an additional three seats. More important, however, he dashed any lingering hopes Shamir might have had of wooing the pivotal Weizman to his side.

What kind of coalition Peres might form remained uncertain. Two days after the Weizman coup, the Labor leader met with Shamir at Jerusalem's King David Hotel for further talks on the possibility of forming a national unity government. Though the two sides have been discussing such a step for almost three weeks, Shamir so far has refused to accept Peres as the Prime Minister in a Labor-Likud union. After the meeting both men agreed that progress had been made, but a pact remained elusive. Likud and Labor representatives also met to settle differences over foreign policy. Though both parties agreed that Israel should withdraw its 22,000 troops from southern Lebanon, there was disagreement over other key issues, including the pace of Jewish settlement in the Israeli-occupied West Bank.

Peres is also pursuing alliances with several tiny religious parties in the hope of achieving a Knesset majority without Likud's help. Peres is especially lobbying the ultraorthodox Agudat Yisrael (two seats) and the National Religious Party (four seats), a mainstream Orthodox group that is holding out for the Ministries of Religious Affairs, Education and Interior. Yet the National Religious Party complicated Peres' task last week by announcing that it would join only a wider coalition that included Likud.

Weizman's support of Labor carried a large price tag. Peres promised him his choice of becoming either Foreign Minister or Finance Minister, along with safe seats for Weizman and the two other Yahad members in the next Knesset election. Likud officials, who reportedly offered to rotate the office of Prime Minister

between Shamir and Weizman if the maverick would side with them, were incensed by the compact. Deputy Prime Minister David Levy accused Labor of acting like "thieves in the night," while other Cabinet ministers labeled Weizman a "traitor" and a "backstabber." The new Labor ally dismissed the charges, pointing out that Likud had refused his request to join their ticket before the elections.

Peres was expected to ask President Chaim Herzog last Sunday for a three-week extension of Labor's mandate to build a government. Peres is likely to spend this week trying to patch together a narrow coalition with the religious parties. His Likud rivals are confident that the effort will fail, forcing Peres to bargain more seriously with Shamir over getting together, finally, in a national unity government. That may be rough going, since several of Peres' Labor colleagues oppose an alliance with Likud. As last week's exchanges between Labor and Likud proved, a government of unity would not necessarily be one of harmony. ■

INDIA

Actor's Inequity

Gandhi allies oust an ex-idol

Dressed in the saffron robes of a holy man, a role he played in many of his 300 films, Actor-Turned-Politician N.T. Rama Rao, 61, was mobbed by reporters and supporters when he arrived last week in New Delhi, India's capital. Though still recuperating from a recent heart bypass operation, Rama Rao had made the two-hour flight from his home state of Andhra Pradesh to protest his sudden ouster a few days earlier as chief minister, the state's top elected official. Rama Rao had been swept into that office only last year, when his Telugu Desam party won control of the state assembly by taking 199 of its 295 seats. But if a chief minister no longer commands a majority, he can be dismissed by the governor of the state. Andhra Pradesh's governor, who is loyal to Prime Minister Indira Gandhi and her ruling Congress (I) Party—the I is for Indira—ousted Rama Rao on the dubious grounds that too many Telugu Desam legislators had defected to other parties. When news of Rama Rao's dismissal spread, violent protests erupted across Andhra Pradesh. Before they were over, 27 people had been killed and 440 injured, including 70 policemen.

Rama Rao's purpose in going to New Delhi was to make a personal appeal for reinstatement to Indian President Zail Singh. Rama Rao was accompanied by 162 loyal members of the Andhra Pradesh assembly. Their intention was to demonstrate to Zail Singh that the chief minister would have won a vote of confidence if he had been given the chance to call one. The President, however, was noncommittal, promising only that there would be "early justice."

Critics of Mrs. Gandhi, noting that she must call national elections by next January, suspect that Rama Rao's removal is part of a precampaign maneuver to strengthen the Prime Minister's hand in the six of India's 22 states that Congress (I) did not control. Only six weeks before Rama Rao's fall in Andhra Pradesh, Gandhi loyalists had similarly ousted the chief minister of the northern state of Jammu and Kashmir. The furor over Rama Rao's removal has probably bought time for the chief ministers of the other four states—Karnataka, Tripura, Tamil Nadu and West Bengal. In an unaccustomed show of unity last week, opposition politicians met in New Delhi to protest what they called the "blatantly unconstitutional" dismissals and the "extinction of democracy." The leaders insisted that the Prime Minister was directly responsible for "this dangerous game of destabilization," and agreed to organize nationwide agitation against Mrs. Gandhi as the election deadline approaches. ■



A crowd of 450,000 covers Rizal Park to hear anti-Marcos speeches

THE PHILIPPINES

Yellow and Red for Aquino

Moderates and radicals unite for a statuesque tribute

All day they had rallied under the hot sun, a vast throng swelling to embrace 450,000 people. It had been a peaceful demonstration, but now as darkness fell, a few among the crowd became restless. Gathered in Makati, Metro Manila's high-rise business district, they began setting fire to automobile tires and piles of yellow confetti. With no police or soldiers in sight, predictions by the government of President Ferdinand Marcos that the daylong rally would culminate in violence seemed about to come true.

Suddenly a flatbed truck rolled into view, escorted by two motorcycle policemen and by lines of yellow-shirted marchers waving small yellow flags. Aboard the truck was a nearly 7-ft.-high, flower-bedecked bronze statue of Benigno ("Ninoy") Aquino Jr., the Philippine opposition leader slain by an unknown assassin at Manila International Airport on Aug. 21, 1983, on his return from exile in the U.S. As spotlights played on the figure, the crowd broke into cheers and then into the once outlawed nationalist anthem, *Ang Bayan Ko* (My Country). A few demonstrators even hugged the motorcycle cops. On such notes of strength and serenity, rather than with the violence prophesied by the government, Filipinos last week marked the first anniversary of Aquino's murder in the largest protest outpouring in Manila since his funeral.

In Year One, as some opposition leaders have come to call the period since the murder, Aquino has emerged as a rallying point for a wide range of anti-Marcos forces. Aware of the significance of the anniversary, the government spared no effort in trying to foil the tribute. Police had dealt harshly with smaller antigovernment rallies in preceding weeks,

quickly breaking up the demonstrations with tear gas, truncheons and water cannons. The government also sought to deny a permit for the August Twenty-One Commemoration Committee demonstration, arguing that it would be used by subversive elements for an assault on the President. In a rare rebuff to Marcos, the Supreme Court ruled that the rally should be permitted.

Unable to stop the march, Marcos backed off. Police and soldiers stayed out of sight except around the presidential Malacañang Palace. Demonstration Organizer Agapito ("Butz") Aquino, Ninoy's brother, had feared that the centerpiece of the celebration, the statue, cast in Rome by Philippine Sculptor Tomas Concepcion and flown to Manila via New York City, would be deliberately held up by Philippine customs and had readied a similar statue made of plaster. But after a two-day standoff, during which the bronze was kept at the airport, Marcos ordered \$3,970 in duties waived and the figure released.

As it turned out, the guard around Malacañang was not needed. The demonstrators stayed well away, moving peacefully from a Celebrated High Mass at Santo Domingo Church, where the funeral services for Aquino were held a year ago, to Rizal Park for a series of 23 speeches by opposition figures, and then on to Makati. Most of the marchers, including Aquino's widow Corazon, wore or carried yellow, the color of protest after the popular song *Tie a Yellow*

Ribbon. But among the yellow shirts, flags and banners there were many flashes of red. Said Salvador Laurel, the head of the United Nationalist Democratic Organization, one of the key opposition groups: "This should serve notice to President Marcos that the yellow and the red, meaning the moderates and the radicals, have united in pursuit of Ninoy's dream."

In the year since Aquino's murder, the anti-Marcos movement triggered by his death has demonstrated remarkable staying power. The 1 million people who assembled for Aquino's funeral on Aug. 31, 1983, were relatively passive, perhaps even frightened, as they presented Marcos with his first real challenge in twelve years. Last week's crowds, in contrast, were not only confident but streetwise: many had brought along yellow scarves, towels and surgical masks to protect themselves against tear gas. More important, moderate oppositionists won 63 of 200 seats in last May's elections for a new National Assembly, forming a sizable antigovernment bloc.

But the movement also includes leftist student and labor groups, as well as Communist-front organizations that boycotted the National Assembly elections. They are committed instead to a "parliament of the streets" in the belief that Marcos can be brought down only by continued militant action. How long moderates and more radical forces can continue working together is uncertain. "The important thing to do now," said Businessman Noel Tolentino, one of the speakers at Rizal Park, "is to struggle toward finding a common unifying factor."

Delivering his anniversary homily at Santo Domingo Church, Jaime Cardinal Sin, Manila's outspoken primate, raised another question for Aquino's supporters:



The statue points the way

"Where do we go from here?" he asked. "Where is all this leading to? Marches, no matter how obstructed by tear gas and truncheons, must reach a destination. And rallies, despite the impassioned speeches, are meaningless if they do not attain their promised land."

Beset by a festering Communist insurgency in a number of the Philippines' 73 provinces and a gloomy economic situation—inflation at 50%, unemployment at 35%, an international debt

of \$25.6 billion—Marcos may find it politic to grant the opposition more maneuvering room. But his position could also harden, particularly if the findings of an independent commission, which has been investigating the Aquino assassination, implicate the government. In any case, Year Two promises to be a time of further testing, pitting an embattled Marcos against an increasingly bold opposition. —By Spencer Davidson. Reported by Sandra Burton and Nelly Sindayon/Manila

THE NEW COMPUTERS FROM AT&T. FLEXIBLE. RELIABLE. AND VERY COMPATIBLE.



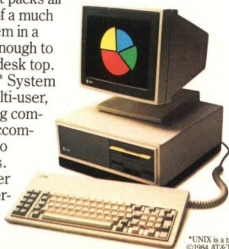
They're new in every sense of the word. New in conception, new in design, new in their ability to deliver unprecedented levels of computer performance. After over 40 years of designing and manufacturing computers, AT&T is proud to introduce a whole new line of innovative computers for business...AT&T Computers.

MEET THE FAMILY

The 3B2, 3B5, and the AT&T Personal Computer make up the new AT&T family of flexible business computers.

The AT&T 3B2 is one of the most advanced super microcomputers you can buy today. It packs all the power of a much larger system in a size small enough to sit on your desk top. This UNIX* System V-based multi-user, multi-tasking computer can accommodate up to 18 terminals.

For larger family gatherings, the AT&T 3B5 mini-



computers make great hosts, because they can accommodate up to 60 users.

And meet the new AT&T Personal Computer. What makes it special is its ability to combine high performance with excellent

UNIX

graphics capabilities, an adjustable display monitor, and non-glare screen. Its flexibility allows it to operate as a stand-alone unit or as part of an integrated computer network. And its compatibility allows it to run most popular business software, including most available MS-DOS** applications.

THE FAMILY THAT WORKS TOGETHER

One big advantage of AT&T Computers is that when there's work to be done, everyone pitches in.

Each family member works together in a coordinated system, making tasks easier

*UNIX is a trademark of AT&T Bell Laboratories. **MS-DOS is a trademark of Microsoft Corporation. ©1984 AT&T Information Systems.

and users more productive. All AT&T Computers are based on our Information Systems Architecture, an open, communications-based structure that can accommodate and integrate not only our products, but also those of other manufacturers.

Another reason

between terminals, workstations, and computers of all sizes. This local area network allows you to connect departments, buildings, industrial parks, or even campuses. And gives you fast response time and centralized administration and control.

Regardless of the equipment you might own or



UNIX



MS
DOS

AT&T family members work so well together is our unique PC Interface. It bridges the MS-DOS and UNIX Operating Systems, allowing you to use your PC as part of a larger 3B network. Several PC users can thus share peripherals and files stored on the central 3B2 machine.

Yet another reason AT&T Computers are such a close-knit family is our UNIX System V Operating System, developed by AT&T Bell Laboratories. It's an operating system so flexible, it's rapidly becoming an industry standard. And because UNIX software is upwardly compatible, 3B2 software can run on 3B5 computers, thus protecting your investment and eliminating costly and time-consuming retraining.

**THEY GET ALONG FAMOUSLY
WITH MOST EVERYONE**

AT&T Computers get along so well with each other, they can't help but get along with just about everyone else. The AT&T Information Systems Network links AT&T Computers with those of other manufacturers. It's a flexible, cost-efficient link

acquire, with AT&T Computers it will be like one big happy family.

BUILT-IN RELIABILITY AND SERVICE

Judging by the way they're made and cared for, this family will be around for generations. AT&T Computers meet the toughest design standards and most rigorous testing procedures.

And should you ever require service, we offer around-the-clock maintenance, and one of the industry's largest service forces.

For more information call your AT&T Information Systems Account Executive or 1 (800) 247-1212. Then make arrangements to meet the family: the 3B2, 3B5 and the AT&T Personal Computer. When it comes to meeting your needs, AT&T Computers couldn't be more compatible.

**AT&T INFORMATION SYSTEMS.
WHEN YOU'VE GOT TO BE RIGHT.**



AT&T



At the polls: Speeding the dismantling of apartheid or ensuring its survival?

SOUTH AFRICA

Hue and Cry

Colored voters get a small voice

Apartheid, South Africa's system of racial separation, is designed to keep blacks and whites far apart in education, employment, public accommodations and even sex, which is outlawed across racial lines. Before the sex barriers were drawn, however, South Africa had developed a mixed-race group or, as South Africans call them, "coloreds." They now number 2.8 million of the country's 31 million people. For the first time, South Africa's dominant minority of 4.7 million whites has taken a step toward giving coloreds a real voice, though small, in the political process.

In nationwide elections last week, colored citizens chose from among 207 candidates to fill the 80 elective seats in a new, all-colored chamber of the South African legislature. The government called the election "satisfactory," but the modest turnout—only 30% of registered voters—led opponents to declare it a failure and many coloreds to wonder whether their votes would speed the eventual dismantling of apartheid or ensure its survival.

Under a constitution approved overwhelmingly by white voters last November, the new legislature consists of three chambers: one for whites, one for coloreds and one for South Africa's 850,000 citizens of Indian origin. Whites will retain almost total control of legislation, but coloreds and Indians will be allowed to pass bills that would affect them as racial groups. Proponents of the new system point to it as evidence that the government of Prime Minister Pieter W. Botha is serious about its promises of political reform. But because the country's 23 million blacks are completely excluded from the new Parliament, some critics regard it as a divide-and-conquer strategy to set blacks against coloreds and Indians. The United Na-

tions Security Council, with the U.S. and Britain abstaining, last week condemned the new South African constitution as "null and void."

Within South Africa, anti-apartheid groups—principally the United Democratic Front (U.D.F.), a multiracial coalition of some 600 South African union, church, cultural, sports and community organizations—called for a boycott of the polls. On election day, 624,000 colored students at more than 70 schools and universities stayed home in protest. Chief Gatsha Buthelezi, leader of South Africa's 5.5 million Zulus, the country's largest black ethnic bloc, hinted ominously of possible black reprisals against those who voted. Said he: "We feel betrayed because so many of our colored and Indian brothers and sisters are rushing forward with their tongues hanging out to endorse the white rejection of us." Indeed, in the one-month election campaign that preceded the vote, colored political meetings were disrupted, and the homes of several colored candidates were fire-bombed. South African security forces responded by detaining 152 people the day before the balloting.

When the results were tallied, some 270,000 coloreds had voted, or roughly the same as the most conservative projection prediction. The U.D.F., however, noted that many coloreds were so contemptuous of the election that they declined even to register. Despite that skepticism, colored candidates insisted that the vote would ultimately benefit the black majority. "We are going into Parliament to dismantle apartheid," declared the Rev. Allan Hendrickse, whose Labor Party won 76 of the 80 seats. "I want to become part of the process of change." Whether it leads to change or not, the process is certain to continue: elections for the 40-seat Indian chamber are scheduled for this week. The two new bodies will officially take their place alongside—or, rather, below—the white legislature on Sept. 4. ■

SOVIET UNION

Vengeance

Bonner exiled, Sakharov taped

Increasingly angered by the dissident activities of Andrei Sakharov over the past two decades, Soviet authorities last week moved to exact another bit of vengeance. A court reportedly sentenced Sakharov's wife Yelena Bonner, 61, to five years of internal exile for anti-Soviet slander. For Sakharov, 63, the blow was worsened by the prospect that Bonner may not survive the hardships of banishment. She has already suffered several heart attacks. When she was visited by a close family friend early this year, her lips and fingernails had turned blue and she was taking several dozen nitroglycerin tablets a day.

Indeed, it was Sakharov's alarm about his wife's health that led to her trial and conviction. Last February the physicist appealed to Soviet authorities to allow Bonner to go abroad for treatment of her heart disease, arguing that she was being deprived of adequate care in the Soviet Union. His request denied, Sakharov on May 2 began a hunger strike that made news around the world. Soviet officials then accused Bonner of conspiring with U.S. diplomats to conduct an anti-Soviet campaign in the West. Meanwhile, Western statesmen, including President Reagan, persistently expressed concern about Sakharov's condition. Rumors that Sakharov was dangerously ill, and even dead, kept the story in the headlines.

Possibly to divert international attention from Bonner's trial and conviction, the Soviets released a videotape about the Sakharovs. Obtained by the West German newspaper *Bild Zeitung* from a Moscow-based journalist known to be well connected with top Soviet officials, the tape was bought by ABC News and broadcast in the U.S. last week. The video event was not especially convincing. Footage purporting to show that the Sakharovs are healthy, indeed prospering, had apparently been taken months ago. The tape had been spliced in many places, and relatives who are now in the West recognized at least one segment as being more than a year old. In one brief sequence, however, a strikingly thin and exhausted-looking Sakharov is seen eating some food at a table on which a July 16 copy of *Newsweek* has been conspicuously placed. The videotape proved one thing: Sakharov had interrupted, though perhaps not ended, his hunger strike as early as six weeks ago. Still, worldwide concern for him and his wife is scarcely likely to subside. Said Sakharov last May in an appeal to world opinion: "Her death would be my death." ■



Bonner

World Notes

LEBANON

False Security

For two months, relative calm had settled over Lebanon under a peace plan adopted by its warring factions and backed by nearby Syria. The peace fell apart last week. In the northern seaport of Tripoli, a smoldering feud between a fundamentalist Sunni Muslim group known as Tawheed and the pro-Syrian Arab Democratic Party, whose militiamen are sometimes called the Pink Panthers because of their raspberry-colored fatigues, erupted in the worst violence so far this year. Before a truce was called at week's end, at least 100 people had been killed and more than 200 wounded, most of them civilians. That brought the total number of deaths in the Tripoli fighting since January to 400. The Lebanese government of Prime Minister Rashid Karami, which has been unable to extend its authority to Tripoli, also saw its tenuous grip around the city of Beirut loosen somewhat. Ten people were wounded when fighting erupted once more between rival Christian and Druze militias in the hills overlooking the capital.

IRAN

Explosive Opposition

The street near a Tehran railway station was a shambles: blackened cars, shattered glass, women in black chadors weeping as volunteers carried away the wounded. A bomb had exploded during the morning rush hour, killing 18 people and wounding some 300 others. It was the most serious terrorist bombing in Tehran since 1982, when more than 60 people were killed in an explosion at the central telephone and telecommunications center. Two callers to news agencies claimed responsibility for the latest action: the Arya group, a Paris-based collection of exiles who want to restore the Pahlavi monarchy, and a spokesman for the previously unheard-of Unit of Martyr Khalafi. No matter who was to blame for the blast, it was an indication that the five-year-old regime of the Ayatullah Ruhollah Khomeini still faces bitter opposition inside Iran.

BRITAIN

A Sinking Defense

Ever since a Royal Navy submarine torpedoed the Argentine cruiser *General Belgrano* during the 1982 Falklands war, killing 368 crewmen, the British government has maintained that the action was taken in self-defense. Information surfaced last week, however, indicating that the government of Prime Minister Margaret Thatcher had other motives for the sinking, and even considered using nuclear weapons in the conflict.

Labor M.P. Tam Dalyell sent documents to the Foreign Affairs Committee of the House of Commons suggesting that the government had withheld information about the *Belgrano* affair from the committee. Dalyell also alleged that British forces were not in immediate danger when they attacked the *Belgrano*. Clive Ponting, 38, a Defense Ministry official, told the Sunday *Observer* that he has been charged under the Official Secrets Act with giving the documents to Dalyell.

A few days after Dalyell's disclosures, the weekly *New Statesman*, citing unidentified British sources, reported that Thatcher disregarded a U.S. peace initiative and decided to sink a major Argentine vessel. She first ordered the sinking of the aircraft carrier *Veinticinco de Mayo*, but the



Veinticinco de Mayo

nuclear submarine assigned to the task lost track of the carrier. Another sub later hit the *Belgrano* instead. The magazine reported that some of Thatcher's advisers objected that it was against international law to attack a ship without warning. The *New Statesman* also said that the British sent a Polaris submarine armed with nuclear missiles to the South Atlantic and might have used the sub as a threat if Argentina had attacked their forces. Two top Royal Navy officers have denied the charges.

GREECE

Goodbye, Zeus



Papandreu

No one in Athens or in Washington wanted to make too much of the issue, but Greece's sudden cancellation of Zeus, a small joint maneuver with American forces in the northern part of the country, exasperated U.S. officials. The scrapping of Zeus came just as the U.S. and Socialist Prime Minister Andreas Papandreu, after months of feuding, appeared to be mending their differences.

Government Spokesman Dimitrios Maroudas blandly asserted that Greece had opted out of the maneuver, an exercise focusing on possible invasion routes through Eastern Europe, because "the only threat" to Greece came not from Warsaw Pact nations but from Turkey, the country's traditional enemy to the east. American officials suspected that the announcement might have been triggered by objections from Greek Communists, who are uneasy over the improving relations with the U.S. But because Athens still intends to join in a much larger NATO exercise in October, Greek and foreign observers were prepared to dismiss the sudden demise of Zeus as little more than a sacrificial act by Papandreu to placate the extreme left.

CHINA

The Factory Worker of Jiangxi

People's Daily last week celebrated the 80th birthday of Deng Xiaoping, China's top leader, not with an official announcement but with one of the paper's most unusual articles in recent memory. The subject: Deng's ordeal as a political outcast during the decade of Mao Tse-tung's Cultural Revolution. The author: "Mao Mao," the childhood nickname of one of Deng's three daughters. According to her account, three years after Deng was ousted from Mao's inner circle in 1966 for being too critical of economic policies, he was exiled to Jiangxi province in the southeast. There he lived under constant guard with his wife and stepmother in a five-room house on the grounds of an abandoned infantry academy. Deng got a job fitting parts together at a nearby tractor factory. In his spare time he tended his vegetable garden, raised chickens and read books on Marx, Lenin and Chinese history. He became popular with his neighbors, who would drop by to grind flour and make rice wine with him. Deng returned to Peking in 1973 after the death of his rival, Lin Biao, and to full power in 1977. Evidently he retains warm feelings for Jiangxi. His days there, says Mao Mao, helped him "comprehend the actual social conditions of the people."



Deng Xiaoping

Sad Tales of Silicon Valley

High-tech companies encounter the hardest truths of the marketplace

To outsiders, California's Silicon Valley looks like a contemporary El Dorado. Once given over to fruit orchards, its 150 sq. mi. in Santa Clara County are home to some of America's most successful and innovative companies, including Hewlett-Packard, Intel and Apple Computer. Hundreds of other high-technology firms are trying to mimic their success. While the vast majority have prospered, quite a few are now discovering that not all the streets in the valley are paved with profits. For them, the earlier dreams of success and overnight riches have crumbled.

The problems that such companies face reflect recent dramatic changes in the marketplace for high technology. In particular, the demand for personal computers and computer software is turning out to be far weaker than numerous companies had supposed. Sales of computers and software are now expected to grow only 28% a year until 1989, according to InfoCorp, a San Jose market-research firm. That is a robust rate for most industries but a brutal disappointment for many of the valley's optimistic entrepreneurs, who were hoping for annual growth of more than 50%. Says InfoCorp Analyst Bob Lefkowitz: "Eighteen months ago, everybody was predicting nothing but a rosy future. Now we're beginning to get a more realistic view."

Many developments have conspired to change the overly cheery outlook. Much of the initial enthusiasm for computers was generated by buffs and hobbyists who by now have already bought their machines. "Early market forecasting was extrapolated from that lunatic fringe," says Bill Cogshall, president of Software Access International, a market-research firm. In addition, some industry observers contend that the personal-computer revolution has been oversold and that potential customers are resisting purchases because the machines are hard to use.

Such misgivings have helped lay the hardest blows on makers of small machines. As the number of personal-computer companies grew from a handful five years ago to more than 180 today, competition became ferocious. Except for a few leaders, the firms are scrambling for shelf space in stores at a time when sales have hit an unexpected lull. Quips Fred Hoar, a former Apple executive and now vice president of Raychem, a specialty chemical company: "The personal-computer industry has reached a new chapter in its history: Chapter 11."

The marketplace is full of ailing companies. Gavilan Computer in Campbell raised \$23.9 million in venture capital two years ago to help launch its first product, a 9-lb. lap-size computer, but was slow to develop an improved model. It has laid off 210 of its 280 workers, and is now looking for additional capital. Convergent Technologies has also stumbled over its portable. The Santa Clara firm introduced its

buyers. "We just expected sales to take off faster than they did," says Executive Vice President Richard DuBridge. "We spent more on advertising and sales than we should have." Meanwhile, the firm's terminals business is under siege by companies in Taiwan and South Korea.

Even while these relatively experienced companies were battling storms in the marketplace, Mindset Corp. in Sun-



One of some 30 buildings vacated by Atari

lap-size WorkSlate a year ago to enthusiastic reviews. But the company could not make enough of these computers to satisfy the initial demand, and then ran into production snafus. After losing \$6.5 million in the second quarter, it announced that it would stop making the WorkSlate and concentrate on its original line of products: desktop office computers.

Like more than a dozen other firms, Eagle Computer of Los Gatos staked its business on machines that are compatible with IBM's and run the same programs. Hit by an IBM lawsuit charging that Eagle copied some of its software, the company was forced to halt shipments during March, and jittery dealers stopped stocking the machine. Says President Ron Mickwee: "We lost a lot of ground and we don't have the capital resources to repurchase it." Eagle has slashed its payroll to 140 employees, compared with 335 last February, and is developing a new marketing plan while trying to satisfy its creditors. Similarly, TeleVideo launched an IBM-work-alike last year but found few



nyvale decided to set sail. It announced its first personal computer in March, several years behind the competition. Result: though Mindset's IBM-compatible machine was well received, it has not found space in dealers' showrooms. Admits President and Co-Founder Roger Baderscher: "It has been a tough summer. We probably picked the worst time to ship a new computer." Mindset laid off its entire 42-person manufacturing staff in mid-July, and is now trying to clear its shelves and come up with a new product.

Makers of the software for personal computers have also been suffering from slower than expected sales, ruinous competition and an excess of copycat products. Among the victims are two industry giants. VisiCorp, marketer of VisiCalc, a pioneering business program, has shelved plans to create its own software, cut its work force to 72 from a peak of 250 and sold the licensing rights for its troubled VisiOn package to Control Data. Another former pacesetter, Digital Research, has backed away from its ambitious move into the retail market and is focusing again on programs that are built into computers.

Other valley firms are discovering that high technology also involves high risks. Promised breakthroughs can be delayed and then produce few benefits. In addition, the high-tech firms are equally prone to the ailments that afflict all companies: miscalculation, mismanagement and even misfortune. Some electronics and computer firms along Boston's Route 128 are experiencing problems similar to those afflicting the valley.

Perhaps the most spectacular example of the peril of venturing onto technology's edge is Trilogy Ltd. Founded in 1980 by Gene Amdahl, a former IBM engineer, it was to have been a bravura business encore by the man who created Amdahl Corp., a successful maker of big mainframe computers. Amdahl audaciously planned to build a new supercomputer based on a revolutionary semiconductor chip that would be far faster than conventional ones. But, concedes Trilogy President Frederick White, "it was just too much to bite off." The company abandoned plans for both its superchip and its supercomputer earlier this year, and it lost \$73.7 million in 1984's first half. Trilogy now contents itself with the production of conventional chips.

Diasionics is another firm that started as a supernova, only to turn into a financial black hole. The Milpitas maker of medical diagnostic equipment attracted some of the San Francisco area's most experienced investors and last year took in \$123 million in one of the largest public stock offerings ever. But that sum has dwindled as Diasionics has lost \$103.7 million since the beginning of 1983. Troubles in its line of digital X-ray devices distracted management from other problems and sapped funds before the line was sold to another company. Now Diasionics has shaved its work force from 1,700 to 1,100 and hired a cadre of former Texas Instruments executives to try to save the firm.

The once booming videogame business has also been decimated. Industry leader Atari was bought by former Com-

modore President Jack Tramiel in June after running up losses of \$652.9 million. The computer and game maker has given up space in more than 30 office buildings around the valley in an urgent effort to cut costs. Now Activision is also threatened. The firm, whose products include such popular games as Space Shuttle and Pitfall II: Lost Caverns, had a market value of \$413 million in 1983 when its stock stood at \$12.63. But Activision has lost money for four straight quarters, and its stock now sells for around \$1.50 a share.

As profits vanish and companies struggle, the venture-capital firms that helped fuel Silicon Valley's early growth have become stingier. Investment bankers who steer young companies toward the stock market are also cutting back. San Francisco's Hambrecht & Quist recently announced layoffs for 5% of its work force. After arranging initial public offerings for 66 companies, worth \$2.2 billion in 1983, Hambrecht & Quist has managed only eight sales worth \$96 million so far this year.

No one is saying that the high-tech boom is over, though, or that Silicon Valley is about to short-circuit on its own success. Well-managed companies with strong market niches are thriving, and investors continue to back new ventures in high-growth businesses. Among them: CAD/CAM machines that are used for computer-aided design and manufacturing, and computer-aided engineering equipment. Still, the El Dorado atmosphere has waned. Says Public Relations Executive Richard Moran, a former Atari employee: "A gym teacher in Indianapolis still views Silicon Valley as the promised land. But a lot of people here don't see that any more." While the valley still holds riches, its hazards are now in plain view. —By Alexander L. Taylor III. Reported by Michael Moritz/San Francisco

Electronic sprawl: In Sunnyvale, a matrix of factories, offices and research laboratories



Built for Gavilan Computer but never used

School Days at Prudential High

Rejected job applicants will get a second chance

During the past six years, about 8,000 members of minority groups were turned down for jobs at Prudential Insurance, in part because they could not meet minimal standards for reading or math. Though most were high school graduates, scores of 3 or lower were common on math-competency tests, where the scale runs to 9. Last week Prudential revealed that it was going into the business of remedial education. In a precedent-setting agreement with the U.S. Department of Labor, the company promised to spend an estimated \$3 million to offer 260 classroom hours of training to the same people it had rejected for jobs. At least 600 graduates will be offered full-time employment.

Newark-based Prudential's endeavor, which could have a wide-ranging impact on affirmative-action programs in many industries, followed a five-year Labor Department investigation of the company's hiring practices. Prudential, wary of a potential Government suit and mindful of its \$50 million worth of business with federal agencies and their employees, agreed to the compromise settlement.

The investigation began after a routine review by the Labor Department's Office of Federal Contract Compliance Programs, which enforces a 1965 presidential order barring racial discrimination by federal contractors. The findings suggested that Prudential was rejecting a disproportionate number of minority applicants.

Prudential at first refused to release detailed employment information to the Government, claiming that to do so would violate employee confidentiality. The Labor Department retaliated by threatening to bar Prudential from further Government insurance business. The company relented after being served with a court order. No formal administrative hearings were ever held, and no official conclusion of wrongdoing was ever made. Said a Labor Department official: "There was never any finding of discrimination."

Prudential already has sent out 3,000 letters to rejected applicants in the New York-New Jersey area whose names are still in the company's files. The rest, for whom current addresses are not available, will be traced through Internal Revenue Service records. The company will help cover the Government's costs by paying the IRS up to 80¢ for every name the agency tracks successfully.

The agreement is the first requiring a company to upgrade a rejected applicant's skills. Stressed will be English, math, reading and keyboard training, all with the goal of raising competency to at



least the ninth-grade level. Participants will be paid the minimum wage of \$3.35 an hour while learning, and some of the classes will be at night so that trainees now working elsewhere can attend. At the same time, those employment tests that gave the applicants such a hard time will be reviewed with an eye to making them more job related.

The settlement will also aid the company's female employees. It calls for the firm to take a hard look at how new women agents are paid to determine if they are being discriminated against. Prudential, it seems, is moving to make life on the Rock a little more equitable for everyone. ■

New Game Plan

More pro football in the fall

Since the United States Football League started play in 1983, the high-rolling owners of its 18 teams have each bet a fortune on the proposition that fans would flock to professional football in the spring and summer, when the air is traditionally filled with pop-ups and homers rather than punts and passes. So far, the new boys of summer have drawn disappointing crowds, suffered tepid television ratings and piled up losses of \$80 million in 1984 alone. Meeting in Chicago last week, the owners decided that the only way to play for keeps is to switch to a fall schedule in 1986, even though that

means going head to head with the dominant National Football League. Said Donald Trump, owner of the U.S.F.L.'s New Jersey Generals: "If God wanted football to be played in the spring, he wouldn't have created baseball."

One big question, though, is how the U.S.F.L. games will fit into the fall television schedule. NBC and CBS now broadcast three N.F.L. games between them each Sunday, and ABC airs another match-up on Monday night. In addition, the law bars the networks from carrying pro games on Friday nights or Saturdays during the high school and college football seasons. Even so, U.S.F.L. Commissioner Chet Simmons thinks that ABC or one of the other networks may be willing to show a fourth Sunday-afternoon contest. Moreover, Simmons says that ESPN, the cable-TV sports network that has agreed to pay \$70 million during the next three years to broadcast U.S.F.L. football, could carry games on midweek nights.

But even the money from ESPN will not be enough to move the U.S.F.L. teams into the black. The New Jersey Generals lost \$4 million this season, and the Los Angeles Express an estimated \$15 million. Only the Tampa Bay Bandits came close to breaking even.

Much of the league's red ink flows from lavish salaries to star players. The Express signed Quarterback Steve Young to a lifetime contract reputed to be worth \$36 million. Young's paychecks are already proving to be a strain on Express Owner William Oldenburg, who heads a San Francisco company that arranges loans for construction projects. Oldenburg is in financial trouble, and his team is up for sale.

Other owners, however, can draw on vast wealth to keep the U.S.F.L. alive.

The Generals' Trump is a New York City real estate tycoon who built the \$200 million Trump Tower on Fifth Avenue. Alfred Taubman, a Detroit real estate baron who owns the Michigan Panthers, is believed to be worth more than \$500 million.

Not all the owners favored the move to fall. Taubman's son Robert voted against it on behalf of his father, partly because the Panthers will have to compete with the N.F.L.'s Detroit Lions for playing dates in the Silverdome. Myles Tanenbaum, owner of the champion Philadelphia Stars, said that the shift will force his team to leave Philadelphia for Baltimore to avoid scheduling conflicts with the N.F.L.'s Philadelphia Eagles.

Some football experts think the ultimate goal of the U.S.F.L. owners is to merge with the N.F.L., as the American Football League did in 1966. But Trump professes to be more interested in beating the N.F.L. than joining it. He envisions a championship game between the winners of the two leagues. His proposed name for the confrontation: the Galaxy Bowl. ■



The U.S.F.L. and Simmons take on the N.F.L.
High-rolling owners have lost \$80 million.

Make Room for Baby

Corporate nannies watch youngsters for parents on the job

Though Pamela Cortez returned to her secretarial job shortly after giving birth to Daughter Kimberly, her thoughts stayed at home. As a result, her work suffered. Recalls Cortez: "I went through several baby-sitters trying to find a good one. I worried during the workday and found my mind drifting to my child." But now Cortez finds it much easier to concentrate on her job. Each weekday morning Kimberly, 2, rises at 6:30 and accompanies her mother as she drives to work at Wang Laboratories in Lowell, Mass. Near by, in a former grade school leased by Wang, the toddler spends the day learning, playing and napping with 215 other youngsters. Says her mother: "I feel very comforted. Kimberly already knows her ABCs, she sings songs and she's very sociable." Mother and daughter even meet every day at lunchtime.

The Cortez family is taking part in one of the costliest and most studied corporate benefits to emerge in the past few years: child care. Says Dana Friedman, senior research fellow at the Work & Family Information Center: "Corporate-sponsored day care is this decade's hottest new employee perk." An estimated 1,000 companies now provide child-care assistance to parents, double the number of two years ago. The need springs from such major social changes as the increase in single parents and the continuing movement of women into the work force. In 1970, two-thirds of U.S. women with preschool-age children stayed at home to watch over them. Today only half do so, according to a report by the Washington-based Bureau of National Affairs. Good professional supervision for children, though, is often hard to find, and the possibility of child abuse is a growing concern. Working parents horrified by a series of sex scandals in day care centers around the country, the most recent involving dozens of children in New York City, prefer company-run programs close to the office, where mothers and fathers can drop by during the day. Indeed, companies that do not provide such facilities can have trouble attracting and keeping talented employees.

Among the first institutions to offer in-house day care were hospitals, which adopted it to help alleviate the nurse shortage. Many other types of firms are following the example. Zale, the jewelry-store chain, last April opened a modernistic, low-slung \$300,000 center at its Irving, Texas, headquarters in which a staff

of eleven oversees up to 85 children from six weeks to six years of age. At the Matthews, N.C., headquarters of PCA International, an operator of portrait galleries, about 120 children attend a center that costs the company more than \$130,000 a year to operate.

Some firms bill their employees for the full cost of day care, but others charge so much less than privately run centers that it constitutes a major bargain. Intermedics, a heart-pacemaker manufacturer in Freeport, Texas, for example, charges



A father and daughter at Stride Rite, top; teaching tots at First Atlanta

Field trips, movies and a show-and-tell visit from a police helicopter.

its employees \$25 a week per child. At its day care centers in Boston and Cambridge, the Stride Rite shoe company bills workers a maximum of \$50 a week.

From a youngster's point of view, going to work with Mom or Dad often beats staying home with a baby-sitter. Children at the First Atlanta banking company's Learning Center take field trips to such places as a dairy farm or an amusement park and go to the movies. Last Christmas a corporate Santa Claus arrived and handed out presents to the youngsters.

One child's father, a local law-enforcement officer, arranged for a police helicopter to land in the parking lot for a show-and-tell session.

Despite successes like First Atlanta's, the majority of companies still believe that in-house day care is unnecessary or too expensive. Says Tricia Fox, founder of Fox Day Schools in the Chicago area: "On-site day care is terribly costly. For most companies, it is tantamount to taking on a whole new business." A group of Burbank, Calif., businesses, including Columbia Pictures and Lockheed, have pooled their money to turn a vacant grade school into a cooperative day care center that will open in October. Honeywell, the Minneapolis electronics firm, is experimenting with alternative benefits like flexible work hours to make it easier for parents to tend to their children. Another option offered by such companies as American Express, International Paper and Phillip Morris is a free referral service to help employees find a day care center in the community.

Some companies, though, resist any kind of involvement in day care. Firms in industries, including oil, auto and steel, with low numbers of female workers are inclined to reject the role of corporate nanny. Says Kathleen McDonald, director of employee relations at Exxon, which offers no child-care services: "Managers often oppose it because they see it linked to the women's liberation issue."

Nonetheless, the companies with day care centers consider their programs to be smart investments, not paternalistic handouts. "We feel that every dollar spent on day care is worth two dollars in benefits to the company," says Joan Narron, director of PCA's Child Development Center. When workers have a reliable place to take their children, they are less likely to be absent from work and experience a lower amount of stress.

After pregnancy, says Susan Doctors, personnel manager of the publishing firm Official Airline Guides, "women return to work sooner and happier than they would if they had to drop their baby at a center far from the workplace." The growing number of fathers who take advantage of corporate day care find that they develop a closer bond with their children. Says Marketing Communications Manager Marc Sacher, who takes his daughter Melanie, 5, to work each morning at Connecticut General Life Insurance: "There are precious moments in the day that I don't have to miss because she's far away."

—By Stephen Koopp. Reported by Joyce Leviton/Atlanta and Thomas McCarroll/New York

A Perfect Fit

China's model shirtmaker

Five years ago, morale was flat and production worse at the tiny Haiyan shirt factory in Zhejiang province, 69 miles from Shanghai. The enterprise was in such dire condition that workers who were ready to retire could not do so because of an empty pension fund. The value of the plant's assets totaled only \$10,000, and profits rarely topped \$2,300.

Today Haiyan is one of China's fastest-growing garmentmakers, with a labor force of 630, assets of \$817,000 and 1983 profits exceeding \$242,000. The state-owned factory's success is the result of a new policy by the Chinese government that has given virtually unheard-of powers to managers in consumer-goods industries, including expanded rights to hire and fire, to lay down work rules and to award bonuses for good performance.

The Chinese thus hope to develop more badly needed consumer industries by encouraging enterprising managers who know how to use the new freedoms to create profits. The transformation at the Haiyan shirt factory is the work of one such man, Bu Xinsheng, 52, its manager. The son of a Shanghai tailor, Bu started sewing shirts at the factory in 1956, and moved up in the ranks by earning a reputation as a hard-driving worker. When industry officials decided in 1979 that the factory needed revitalizing, they tapped Bu for the job.

At the time, the plant was like most others in China. Absenteeism, sleeping on the job and a hearty disrespect for managers were only a few of the problems. Bu quickly changed all that. Among other moves, he demanded strict discipline, firing workers who ignored his rules. Angry workers and local party officials opposed the reforms. One fired worker tried to kill Bu with a pair of scissors before being overpowered by employees, and Bu became the target of political attacks. They stopped only after laudatory reports about him appeared in the *People's Daily* and on Chinese television.

With such struggles behind him, Bu continued to revitalize the company. He has introduced benefits like subsidized housing, and even composed a company song. Now he is working on marketing approaches that have included adding new colors and giving Haiyan shirts their first brand names: Tangren (Tang Dynasty Man), Shuangyan (Double Swallow) and Sanmao (a character in a popular cartoon strip). Says Bu: "When I die, I want no wreaths, just the logos of these shirt brands placed on my box of ashes." ■



Bu Xinsheng



A Jaguar plant in Coventry: the company's initial stock offering sold out quickly in July

Britain's Socialist Sell-Off

Unloading state-owned dinosaurs is proving hard to do

Bumbling inefficiency and weak management have long characterized British industry. The reason, charged Prime Minister Margaret Thatcher while running for office, was that nearly 40 years of state ownership had sapped the initiative of many of Britain's largest and best-known companies. So within months after coming to power in 1979, Thatcher and her Conservative Party took steps to sell the assets of numerous firms to private investors. About half of Britoil (1983 pre-tax profits: \$762 million) is now in private hands, as is all of the Jaguar automobile division of BL, formerly British Leyland.

The push to "privatization," however, has been among the most controversial and difficult undertakings of the Thatcher government. Union leaders and members of the opposition Labor Party, which began the movement toward state-owned enterprises in 1946, howl that the sell-off is really a form of "piratization," which robs the British people of companies that rightfully belong to them. The critics have dubbed Norman Tebbit, Thatcher's Secretary for Trade and Industry and a key figure in the socialist sell-off, the "principal gravedigger of British industry."

Selling the companies is proving trickier than the Conservatives had expected. Frequent squabbles have broken out within the government over such basic questions as which companies to privatize and when to do it. Simply bringing the companies' stock to market has often been a problem. Jaguar's initial offering of 178 million shares sold out quickly in July, prompting Labor charges that the price was too low and that British industry was being divested for far less than it was worth. At the other extreme was the stock of Britoil, which found few initial takers because it was offered just as energy prices fell.

Moreover, the government's notion of

turning Britain into a nation of stockholders has not panned out. The biggest buyers of stock have been large institutional investors rather than ordinary Britons, many of whom are unaccustomed to the idea of stock ownership after decades of nationalized industry. A majority of the new offerings are in the hands of life insurance companies, pension funds and banks, and chunks of the rest have not been sold. Speculation in the issues has been rampant as shareholders bought in, held briefly, then sold for a quick profit. The fact that relatively few investors have participated in ownership of the companies worries Thatcher's Conservatives. Without millions of shareholders to contend with, a new Labor government might have an easier time shifting back to state control.

Now looming are sales of British Airways and Rolls-Royce, the enginemaker. The largest privatization move will come in the fall when 51% of British Telecom, the telecommunications monopoly, goes on the block in an anticipated \$4 billion sell-off. Union members have called the breakup of ownership "an act of economic vandalism," and some engineers staged a brief protest strike.

For all the problems it has created, privatization has produced many good results. Companies like Cable & Wireless and British Aerospace are far more profitable than they were under state control. The government, moreover, has gained substantially from the sales of state-owned assets. In Thatcher's first administration, which ended in 1983, the yield to the Treasury was more than \$2 billion. That is expected to rise to \$14 billion during her second term. But the most important byproduct of privatization should be a sharper and more productive British industrial system.

—By John S. DeMott.

Reported by John Wright/London

The room with a better view.



At over 300 Holiday Inn® hotels, hit movies are beamed right to your room at no extra charge by our privately-owned satellite earth station network. For hotel reservations just call 800-HOLIDAY.

*A better
place to be*

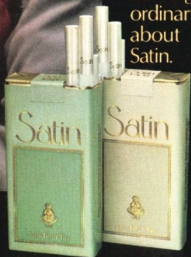


Satin™

© Lorillard, U.S.A., 1984

DON'T
LET
ANYTHING
EVER
BE
ORDINARY

From the
Satin™ tip
to the
rich full
flavor,
nothing is
ordinary
about
Satin.



Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

10 mg. "tar", 0.8 mg. nicotine av. per cigarette, FTC Report March 1984.

Business Notes

TELEVISION

Dueling with Air-Wave Pirates



A pair of suspect antennas

Like many U.S. firms that transmit pay-TV programs to home microwave antennas, Premier Communications Network in the San Francisco area has a serious problem. For a monthly fee of \$21.95, the company lends the receivers that allow TV sets to pick up its high-frequency, over-the-air signals. But people can buy similar equipment in electronic shops for about \$100 to watch the programs free of charge.

In June Premier fought back by hiring Ray Conley, a Des Moines lawyer who specializes in catching air-wave pirates. Conley searched for microwave antennas whose style differed from those issued by Premier and then used an electronic device to find out which ones were receiving Premier's signals.

Premier then threatened the homeowners with legal action if they did not pay a \$300 fee. In response, a group of about 1,200 of the alleged pirates hired the firm of Melvin Belli, the famed attorney whose clients have included Errol Flynn, Mae West and Jack Ruby, to sue the company for invasion of privacy and extortion. Last week Premier filed its own suit against 6,902 people for intercepting its programs. The cases could set precedents for future legal duels between pay-TV companies and air pirates.

COMMUNICATIONS

Hard News from a Wire Service

When Investors Douglas Ruhe and William Geissler bought United Press International in 1982, they hoped that the worldwide information gatherer, which has lost money for more than 20 years, would break even in 1984.

The actual news, however, has been disappointing. Tied to a far-flung bureau system with high communication costs and overshadowed by the Associated Press, U.P.I. is still staggering.

Last week the company and the union that represents about half of its 2,000 employees announced an austerity program under which 100 to 200 workers will be laid off. The rest will take a temporary 25% pay cut and will receive stock equal to a 6.5% stake in the firm. The union will also gain a seat on U.P.I.'s board. The Washington-based news agency will slowly restore wages to their current levels by Dec. 15, 1985. "This is the worst agreement I have ever recommended to the membership," said William Morrissey, president of the Wire Service Guild. But Ruhe and Geissler took a less somber view. They expect the agreement to enable U.P.I. finally to turn a profit next year.

ENTERTAINMENT

Music Video's Mellow Mood

For all its gyrating and earsplitting success, MTV, cable television's 24-hour music-video channel, has been unable to attract some of the largest U.S. advertisers. The network's rock offerings are targeted to younger viewers whose tastes may run more to

soft drinks and blue jeans than to refrigerators and expensive family cars. Last week MTV announced plans to go after an older, mellow and more affluent set. The broadcaster said that next January it will introduce a second all-music channel designed to appeal to listeners aged 25 to 49. Its format may be a blend of jazz, country-and-western and pop tunes.

The new channel will probably pit MTV directly against Ted Turner, another cable pioneer, whose holdings include the Cable News Network and SuperStation WTBS. This week Turner is expected to announce plans for a music channel that would offer pop, rock, rhythm and blues, and country.

The MTV move came soon after its owners, American Express and Warner Communications, made an initial public offering of 5.1 million shares of MTV stock. The video purveyor now hopes to make many of its new investors loyal viewers as well.

FAST FOOD

Where Mac Meets Mack

Travelers who believe that the best fast food is found where the truckers go may soon be following the big rigs to McDonald's. The hamburger giant will begin work this fall on its first facility designed especially for the drivers who push the Macks, Harvesters and other large vehicles. Called—what else?—McStop, the Lakeville, Minn., complex will feature a McDonald's restaurant plus a gas station, motel, convenience store and a small shopping center. Included will be double-width lanes and extra-large parking spaces for semitrailers and recreational vehicles. Says Company Vice President Richard Starmann: "This is a special McDonald's for the interstate traveler."

Though McDonald's bought the land and designed the development, McStop will not mark the fast-food company's expansion into other lines of business. McDonald's has recruited St. Paul Developer A.D. Divine, who will sign up the retailers and motel and service-station operators. The entire complex will be ready for customers around the first of the year. If enough of them pull over, the Minnesota McStop could become the basis for a whole new chain.

TELEPHONES

Dial 976 for Profits

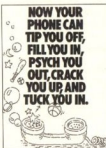
The success of telephone numbers with the prefix 976, which allow callers to hear short, taped programs containing information and entertainment such as sports highlights and children's stories, has spawned a burgeoning new industry. Dozens of entrepreneurs across the U.S. are forming businesses to produce and supply telephone companies with a seemingly limitless variety of tapes, from *Dial-a-Mystery* to *Gay News*. San Francisco's Megaphone, for example, produces daily 60-sec. updates on ten popular TV soap operas, plus a Michael Jackson tape for fans who want frequent bulletins on what their idol is doing.

The financial rewards for such firms are enticing. Atlantic City's Sundial Productions earned nearly \$400,000 last year by supplying nine programs to New Jersey Bell.

Many telephone companies, which charge anywhere from 10¢ to \$2 for various kinds of 976 calls, are reaping big profits. Bell of Pennsylvania has 21 different 976 numbers and plans to add 64 more. Pacific Bell, which covers Los Angeles and San Francisco, earns about \$250,000 a week from 62 separate 976 numbers. Says Product Manager Guille Reed: "The 976 service is going crazy."



The U.P.I. newsroom in Washington



Environment



Après-ski sunbathing for a colorful crowd on the Kitzsteinhorn in Kaprun, Austria

Apocalypse in the Alps

Critics warn of a threat from unchecked tourism

The Alpine region is a treasure trove of history, culture and spectacular scenery, all of the riches one would expect to find in Europe. For the Alpine region is the heart of Europe. This season, you can share in the wealth.

—Swiss tourist brochure

Millions already have. As a result, the 84,942-sq.-mi. expanse of peaks, pastures and icy lakes that ranges over seven nations from the Gulf of Genoa to Vienna is reeling from the effects of overcrowding. Trails of beer and soft-drink cans festoon the mountainsides. Slashes that are cut into the forest to meet the demand for ski slopes create avalanches in the winter and mud slides in the summer. Salt scattered over ski runs to harden the snow now fouls water supplies, as do the tons of detergents from hotels and condominiums. Animals that need space, such as eagles, lynxes and hares, are disappearing. The contamination of mountain streams has put 70% of lower Bavaria's fish on the endangered list. And perhaps gravest of all, the forests, ravaged by the encroachments of civilization, are struggling for survival: according to one survey, some 45% of Bavaria's Alpine woods are sick.

In Switzerland, 5.9% of the gross national product stems from tourism; in certain Alpine vacation areas, travelers' spending accounts for up to 80% of the economy. It is this boom in tourism, however, that has led to concern that an ecological apocalypse may be at hand. Says Gernot Patzelt, Innsbruck University's chief ecologist: "We have to define the maximum load, the point beyond which damages will become irreparable."

Although the indigenous population of the area is only 7 million (including

16,000 ski instructors), some 40 million vacationers have trooped through the mountains each year since 1980. An additional 60 million day trippers from such nearby cities as Munich, Salzburg and Milan have motored through the passes and hiked through the high pastureslands annually. The Alps, once an almost insurmountable barrier between north and south, are now crossed by some 50 airlines, seven rail services and 30 major highways.

The consequences of this sportive invasion are both visible and dispiriting. The main route up the Matterhorn has been worn as smooth as a dance floor by climbers and is currently closed to all but advanced mountaineers. Austria's Grossglockner, a formidable peak once noted

for its splendid isolation, is attacked daily by up to 200 excursionists, most of them aided by ropes and guides. So many would-be conquerors cluster around the trail that the Austrian government has built wooden platforms on many peaks to increase standing space. At Königssee in southern West Germany, 800,000 tourists a year come to yell, some of them at the same time: their goal is to hear the echo of their voices rebound from the mountain amphitheater. As one distraught Swiss expert puts it, "We are making this place the Disneyland of Europe."

During the 1962-63 winter season, 2.2 million skiers christened across Austria's slopes. Last season the number grew to 7.2 million. To make more room for the vaca-

tioners jamming onto the 15,000 ski lifts and cable cars for jaunts down the 40,000 runs carved into mountainsides, some glaciers have been opened to skiers. The great ice rivers are stained a dirty gray with soot and suntan lotion. Glaciers do not recover from this type of abuse. The dirt percolates back to the surface as soon as winter snows cease.

Tourist spoor is in evidence everywhere. Each year the citizens of Obergurgl, Austria, carry 50 large sacks of empty cans out of the Rettenbach glacier. On the Dachstein mountain, where the Schladming and the Hallstatt glaciers meet, 1,300 trash cans continually overflow. In one recent year, litterers left behind 4,500 tons of waste in the Austrian Alps.

One critic sees a pervasive commercialism, in countryside and city, as the villain. Says Leopold Lukschandl, editor of the Austrian monthly *Environment*: "We sell sunshine by leasing deck chairs and blankets. We sell our beautiful landscape in horrible souvenirs and the tradition of our Alpine population in tasteless evening entertainments where sex in lederhosen is the main attraction."

Some citizens of the Alps appear to be awakening to their environment's steady decline. In 1981, when developers in the Montafon region of Vorarlberg, Austria, wished to increase the capacities of ski lifts, the state government first requested an analysis of the project from the Austrian Federal Institute for Physical Planning.

The Montafon, with a population of 15,000, already had 17,000 tourist beds and 52 cable cars and chair lifts. "When we talked to the mayors of the Montafon villages," says Institute Member Dieter Bernt, "we asked them, 'Where are the many thousands of new tourists going to park their cars? Where are they going to eat? And where will you put the extra beds you will need?' We had no

means to stop the local people, but we could persuade them." Persuasion succeeded. The project was drastically cut back.

A more militant approach is the key weapon of other aroused environmentalists. Representatives of one 300-member group called Robin Wood climbed the towers of a Bavarian castle last year to unfurl SAVE THE MOUNTAIN banners. The 4,500-member Society for the Protection of the Alps has staged sit-ins to block the bulldozers of road and slope construction crews. But the hit-and-run protesters and the gentle persuaders face a long, and dirty, uphill fight.

—By Jamie Murphy, Reported by Sarah Farmer/Bonn and Gertraud Lessing/Vienna



Alpine slope fouled with refuse

Education

The Class Project Must Float

A school in Maine teaches the craft of wooden-boat building

There is nothing—absolutely nothing—half so much worth doing as simply messing about in boats.

The Water Rat in *The Wind in the Willows* by Kenneth Grahame

Unless, of course, it is messing about with boats. Grahame's Water Rat got as much pleasure out of fussing around with his boat as he did from actually rowing it. So do Lloyd and Pat Kennedy. That is why the retired Air Force colonel and his wife have driven from their home in Harrison, Ark., to the tiny (pop. 550)

a year off and learn the trade," says Alan ("Dusty") Rhoades, a Navy lieutenant commander attached to Atlantic Fleet headquarters in Norfolk, Va. "But I've got a family to support, kids to put through college. I needed an alternative."

Responding to readers like Rhoades, *WoodenBoat* magazine, now a decade old, decided to provide such an alternative. Four years ago, it acquired an old estate on 65 acres overlooking the Atlantic, converted a brick-and-stone

Maine boatbuilder who runs the school's three-week class on the theory and practice of boatbuilding, divides his eight students into two teams of four each, then puts them right to work building a pair of 11-ft. boats. Designed by Day as a cross between a traditional down-East dory and a flat-bottomed skiff, the boats are teaching tools. They feature three types of planking and require students to go through almost all the procedures involved in the craft of building a boat. "Boatbuilding is nothing if not practical," says Day. "You do things because they work."

Day's students build their boats from scratch. Students in a separate one-week class build theirs from kits. For their \$300 in tuition plus the price of the kit, they work under the guidance of another Maine boatbuilder, Eric Dow, constructing small, square-bowed dinghies known as Nutshell prams. Those who sign for the one-

week course in able-seamanship spend their days aboard the schooner *Vernon Langille*, a 38-ft. replica of a traditional Tancook Island sailing boat, plying the waters off Maine's rocky coast.

The school's students are as varied as its courses. Among them: a Roman Catholic priest from New Jersey, a psychologist from Texas and a high school instructor of auto mechanics from Hawaii. Judy Cullen, an animated grandmother and preschool teacher from Lopez Island, Wash., signed up for Day's course because she wants to help her husband build a 36-ft. sloop. Brockett Muir, who recently graduated from the University of Virginia, came to the school because he hopes to spend the next few years building boats professionally.

The atmosphere at the WoodenBoat School is relaxed. Students spend their after-class hours playing softball and drinking enough beer to float a schooner. But before that, they put in solid workdays in a shop redolent with the smell of fresh-cut cedar. Students pick up their tools by 8 each morning and, except for an hour-long lunch break, do not put them away until after 4 each afternoon. No one complains about the hours. "I love it; it gives me such a sense of satisfaction," says Cullen. "When I fitted my first plank, I felt like singing the *Marseillaise*."

Cullen's fellow students share her enthusiasm; many look forward not only to using their newly learned skills but also to coming back to the school for more advanced courses. For all of them, the stay in Brookline is a valuable learning experience. For some, like Chris Everett, 16, a Danville, Vt., high school student who came to the school to build a Nutshell pram, it is something more. "When I finish high school, I'll go home with a diploma," says she. "When I finish up here, I'll go home with a boat." —By Peter Stoler



Students at the WoodenBoat School build a dory-skiff; inset, logo of WoodenBoat magazine

After-class activities include softball and drinking enough beer to float a schooner.

coastal community of Brookline, Me. And that is why a sunny summer morning finds them bent together over a building frame, beveling the planks on what will, in another day or two, be an 8-ft.-long dinghy, capable of carrying them for a sail on the waters of nearby Eggemoggin Reach or, later, the lake near their Ozarks home. "I've spent a good part of my life going to school and taking courses," says Kennedy. "But I've never been to a school like this."

Neither have the Kennedys' "classmates," all of whom are students at an unusual institution called, appropriately, the WoodenBoat School. Fascinated by boats in general and by wooden ones in particular, most have been avid readers of a bi-monthly called *WoodenBoat*, and most have dreamed of acquiring the skills necessary to build their own craft. But few have had the time or the freedom to apprentice themselves to the small number of American boatbuilders who work in wood. "I'd like nothing better than to take

barn into a boatshop and sail loft and launched the WoodenBoat School. In its maiden year, the school offered only a few basic courses, attracting some 60 students. This year the curriculum has expanded to 18 courses and enrollment is expected to exceed 80 students before the school closes its doors at the end of this week. For tuition of around \$300 a week, which includes housing and home-cooked meals at the rambling frame house that serves as the school's dormitory, students can spend from one to three weeks studying such subjects as oar- and paddlemaking, boat repair or canoe building. Says School Head Peter Anderheggen, 50, a former English professor at Norwalk (Conn.) Community College: "We're not going to turn an eager amateur into a master boatbuilder in three weeks. But I think we'll enable most of our graduates to build and repair their own boats."

Most of the courses are designed to do just that. Arno Day, a fourth-generation



People

In *Splash*, Actress **Daryl Hannah**, 23, made waves by playing a girl who was part human, part fish. For her next role, Hannah has moved up a few rungs on the evolutionary ladder. In *The Clan of the Cave Bear*, now filming in northwestern Canada, Hannah portrays a young Cro-Magnon girl adopted by a tribe of less-developed Neanderthals. Based on Jean Auel's bestselling novel, the movie, due next summer, will strive for authenticity, a fact that Hannah finds chilling. "They drop us in the middle of a glacier, and we're



Hannah: from fins to furs

dressed in skins." Hannah was also cool about the wearing of animal pelts ("I'm sort of against it"). Besides, to prepare for their prehistoric personas, Hannah and the rest of the cast had to learn to throw spears, use slings to hurl stones, build a fire without matches, communicate in a special sign language and, most demanding of all, claims the leggy lady, "act in the cold and pretend we're warm. Even with those furs, it's freezing in the Yukon."

Tom Selleck and John Travolta, move over. New hunks have just muscled in. Last May, the U.S. Olympic water polo



Unofficial pinup poster of the XXIII Olympiad: the U.S. water polo team shows where the beef is

team—including **Terry Schroeder**, 25, male model for the controversial nude sculpture at the entrance to the Los Angeles Coliseum—posed poolside at Pepperdine University to raise money for the team. The 15-man picture turned out to be the hottest pinup poster of the Summer Games. Priced at \$5 each, the first batch of 10,000 quickly sold out, the second is nearly gone, and there are plans for a third printing. "We've had to set up an 800 line to handle the requests," burles the team's attorney and representative, Noel Gould. Among the team's ardent supporters are White House Public Liaison **Judi Buckalew**, who has asked the athletes to autograph her

copy, and California Governor **George Deukmejian**, who has a framed poster hanging in his Sacramento office. Explains Gould: "The commercial marketplace has finally caught on to what every sorority girl knows: that the best-looking men in the country are water polo guys."

He had ruled his tiny state for 46 years. But when **Prince Franz Josef II**, 78, stepped down this week the citizens of Liechtenstein (pop. 26,500) were assured that the regal line would be unbroken. In a quiet ceremony marked by a church service and the signing of documents, Franz Josef handed over the re-

gency to his popular—and fervently modern—eldest son, **Prince Hans Adam**, 39. The Swiss-educated Hans, who for years has managed the family fortune, including an extensive art collection and real estate holdings, believes royalty still has a vital role. "The President of the United States is received and heard everywhere even if he has only been in office for a week, or even before that as a presidential candidate," says Hans. "This is not the case with a small country such as we are. Over a long period, a reigning Prince can build up the contacts that are all important." Translation: for monarchs, it is no longer what you do; it is whom you know. —**By Guy D. Garcia**



A thoroughly modern regent: Prince Hans Adam before assuming power

On the Record

Jim Palmer, 38, former Baltimore Orioles pitcher and current ABC commentator and Jockey underwear model, on the recent Miss America controversy: "That's why I always posed in my underwear instead of in the nude. I was afraid they'd take away my Cy Young awards."

Barber B. Conable, 61, U.S. Republican Representative from upstate New York, on the difference between the pontificators and pragmatists in the Congress: "The ideologues all stand over in the corner and posture, and let us compromisers get things done for them."

AN ARRESTING QUALITY.

Get it together—buckle up.

**Total driving performance
has helped make Ford Mustang
the choice of police forces
in 15 states.**



With rack-and-pinion steering, heavy-duty suspension and a 5.0 liter high-output V-8 engine, our special pursuit Mustang has what it needs to bring a chase to a swift conclusion.

And the sooner a chase is over, the safer it is for everyone.

Our pursuit Mustangs—and even some of our larger cars like the Ford Crown Victoria and LTD—are enjoying increasing popularity with police forces all over America. It's just one result of our commitment to total driving performance. Of course, there's only one sure

way for you to find out how good our cars and trucks really are—and that's to see your Ford or Lincoln-Mercury dealer. Ask about the Lifetime Service Guarantee* while you're there, but above all, go for a test drive. You be the judge.

You're going to love the quality.



Quality is Job 1.

*Offered by participating dealers.

FORD • LINCOLN • MERCURY •
FORD TRUCKS • FORD TRACTORS

TIME

ON THE AIR

WORLD NEWS SERVICE

The World's Premier Newsmagazine
Premiers A World News Service

From the pages of TIME, to America and to countries around the world, listen for the TIME WORLD NEWS SERVICE.

TIME—with 33 bureaus and 85 correspondents—has the largest news-gathering staff reporting to a single magazine and is read by 30 million people worldwide every week.

Now, with TIME magazine on radio, you will have a new listening perspective. The more you know, the more you need to find relevance and understanding in today's explosion of information.

On the TIME WORLD NEWS SERVICE, you'll hear cover stories, special reports and special editions. You'll get behind the scenes on a wide range of topics....from international politics to urban design, fine arts to computers, morality to medicine, literature to law. Stories and adventure that capture the human spirit in daily segments each week. LISTEN FOR IT!

Distributed nationally exclusively by
Media General Broadcast Services, Inc., Memphis, TN.

Scrounging for Good Air

How a floor reporter works a cut-and-dried convention



NBC's Chris Wallace was getting edgy. He was supposed to interview Ron Reagan, the President's son, on the Republican Convention floor under the signpost of the New York delegation.

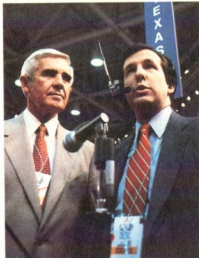
But his interviewee, it turned out, was many yards away, under the standard of New York's alternates. Wallace ran to the Reagan seats in the VIP box, then circled the floor. By the time the misunderstanding was discovered, the "window" of open air time had passed.

Said Walter Cronkite: "Up to now, the duller one I ever covered was the 1956 convention that renominated Eisenhower. But this here may well win." There was almost no conflict, surprise or suspense, none of the drama that TV thrives on. Thus network floor reporters like Wallace had to hustle to find interviews that would get onto the air. They had no breaking news to follow, no deep divisions to exemplify. They did not even have many big names to interview: more than ever, the party's major celebrities were being taken up to the anchor booth.

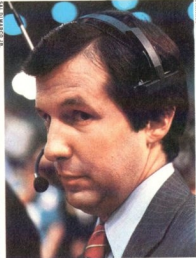
Yet for Wallace, 36, a true political

instinct for seeking out controversy, sometimes for arousing it. He described his feisty exchange with Helms, who accused journalists of distorting Reagan's policies, as "a pretty fair tennis match."

While NBC stuck with the usual total of four floor reporters, the slow news prompted CBS to cut its roster to three, and ABC to two. Even the pared-down contingents were not overly busy: ABC's Lynn Sherr spent nearly half an hour waiting with Senate Foreign Relations Committee Chairman Charles Percy before telling him that the network, which had already passed on him once, had decided to do so again. TV reporters acknowledged having given disproportionate attention to the discontented minority at the convention, and several were accosted by delegates and charged with liberal bias, although the problem may sim-



Using contacts: NBC's Wallace with Laxalt



Tuning in: headset links Wallace to producers



Studying: notes help, a floor map is vital

For Wallace, the missed interview made three nights in a row of minor irritations. On the convention's first evening, he looked for moderates who dissented from the platform, but three people on his list were away from their seats, and a fourth declined to be openly critical, so he had to switch gears and interview a skeptic from the right, North Carolina Senator Jesse Helms. The next night Wallace's scheduled interview with Barbara Bush, the Vice President's wife, was truncated to two questions. But he had good luck as well: he had perhaps the clearest line to the convention's instant media celebrity, Susan Catania, an Illinois delegate who was clamored after because she had decided not to vote to renominate Reagan. Wallace covered her a decade ago, when she was a state legislator and he a local TV reporter in Chicago.

For most of the 13,000 journalists at the convention, the main topic of conversation was how hard it was to find a story,

junkie who worked his first convention in 1964 as Cronkite's errand boy, being a floor reporter is "the most intense experience you can have." In 1980, Wallace scooped the other networks, albeit by seconds, on the choice of George Bush as Ronald Reagan's running mate, and that coup helped win him a job as NBC's White House correspondent. At the Democratic Convention in San Francisco, he screened out rivals from an exclusive interview with Joan Mondale by having his crew and her aides form a human fence. Last week he was able to use more traditional tactics, prearranging talks with party elders like Senator Paul Laxalt of Nevada. Between glances at his color-coded floor map and scurrying to his next "target of opportunity," Wallace described his convention role as "part journalist, part producer, part booking agent, part offensive lineman." He might have added, part agent provocateur. Like his father, CBS Correspondent Mike Wallace, Chris has

ply have been the urge to find a lively debate where there was none.

In the past, reporters prepared copiously for floor assignments. This time, most of them found little need to scan the arcane computerized data, little chance to display erudition. Indeed, the interview choices seemed to be so obvious that on several occasions network crews were lined up three deep alongside such figures as Catania or President Reagan's Campaign Consultant Drew Lewis, turning the usual traffic jam in the aisles into human gridlock. Summed up Wallace: "There were two clear advantages to this assignment. One was that the layers of buffer between reporters and politicians were gone; they were all right there in front of you, ready to be engaged in conversation. The other was, if you like to appear on television, there was the chance to do so four or five times a night, although not necessarily with something exciting to say."

—By William A. Henry III

What is the FCC doing to improve cordless phones?

They've just authorized 10 new 46/49MHz channels to help reduce interference.

Before you buy a low-priced cordless telephone you should know what's been going on in Washington. Because the Federal Communications Commission (FCC) has just doubled the number of channels available for cordless phones. These changes will make many of the old, less expensive 1.7/49 cordless phones seem obsolete.

What causes interference usually associated with lower-priced cordless phones?

- Other cordless phones
- AM radio signals.
- Current fluctuations in house wiring.

What does this interference sound like?

- Humming.
- Buzzing.
- Disruptive signals from other phones.

How do the new FCC-approved 46/49MHz channels improve cordless clarity?

- Increased number of channels reduces odds of sharing the same channel with another cordless phone.
- Cross-channel interference is reduced.
- The chance of frequency saturation is reduced.

Who is the first company to make use of the FCC-approved channels?

- Uniden Corporation of America. The cordless phones using the new channels are known as the 46/49 Series Extend-A-Phones® (the only full line of 46/49 phones available).



uniden
extend-a-phone®

The Clearer Cordless

Uniden Corporation of America, 200 Park Avenue, New York, New York 10166

Jack Nicklaus



What has Uniden® done to increase security?

- Developed a system called AutoSecure™ that prevents unauthorized use of phone lines.*
- Added digital coding on selected units providing up to 256 codes to prevent false ringing and increasing billing protection from other cordless telephones.*

What changes has Uniden® made to improve sound quality?

- Receivers have been improved for cleaner audio.
- Audio circuitry has been upgraded for crisper sound.

What are some examples of convenience features on the new 46/49 Series Extend-A-Phones®?

- Pulse/Tone switching for MCI/Sprint† access.
- Memory dialing.
- Speakerphones.
- Mute key.

- Redial.
- Cancel key.
- Intercom.
- 1000 foot cordless calling range (depending on local conditions).

I understand the new phones will cost more. What are some reasons for this?

- Developing any new technology costs more.
- Adding higher quality audio components adds to production costs.
- Incorporating top-quality features comes into play in pricing.

How soon will the new 46/49 Series Extend-A-Phones® be available?

- All phones are available now. To see the new models, visit any nearby Uniden® dealer.

*Security features vary by model.

†Sprint is a registered trademark of General Telephone & Electronics.

©1984 Uniden Corporation of America.

Press

Peace Pact on War Coverage

New press guidelines return to tried and true principles

In the midst of the furor over the exclusion of American reporters from the military operation in Grenada last fall, Secretary of Defense Caspar Weinberger appointed a 14-member panel to draft guidelines for press access to future combat situations. Chaired by retired Army Major General Winant Sidle, the commission consisted of journalists and military public information officers. Last week Weinberger released their report and announced that the proposed guidelines are

being put into effect. He also said he will appoint a permanent panel of journalists to assist in planning for news coverage of future military conflicts. Said he: "By forming such a committee, I wish to ensure that the media's viewpoint can be expressed in our highest corners on a continuing basis."

Chief among the Sidle commission's concerns was preserving the right of the press to cover combat "to the maximum degree possible consistent with mission security and the safety of U.S. forces." When reporters were barred from Grenada, the Pentagon argued that protecting lives, including those of the correspondents, was more important than keeping the American public fully informed. Journalists protested that they had taken risks along with troops ever since the Civil War and had respected news embargoes when necessary to protect the secrecy of military plans and the lives of U.S. servicemen. "No commander is ever going to want you to take the seat of a soldier or to take the space of a box of ammunition," noted Pentagon Spokesman Michael Burch last week. The solution, he said, is better planning at the Pentagon so that journalists do not unduly burden field commanders. The new guidelines direct the armed services to provide adequate transportation and other assistance to war correspondents.

At the heart of the new provisions is a system for "pool coverage," which news organizations have long used whenever the number of journalists at a scene must be limited. Those in the designated pool then have the responsibility to share their notes and pictures with other reporters. According to Burch, the Pentagon will soon establish a rotating pool of combat-

ready correspondents who can be reached round the clock if military action is imminent. These journalists would be obliged to keep this information secret even from their own superiors until the operation was safely under way.

Although most news executives who testified before the Sidle commission agreed that the Pentagon should specify which wire services, newspapers, news-magazines and broadcast networks would participate in such a pool, they insisted

on reserving the right to choose which of their reporters would represent them, a condition the Pentagon has yet to accept. Even an arrangement such as that would not guarantee press access to all military actions. Said Burch: "The decisions have to be made on a case-by-case basis."

Most of the journalists strongly opposed a suggestion that the Defense Secretary accredit in advance all reporters and photographers who cover combat situations. They also objected to a proposal that U.S. citizenship be a requirement for battlefield correspondents representing U.S. news organizations, a rule that might have prevented ABC Anchorman Peter Jennings, a Canadian citizen, from covering the Viet Nam War between 1965 and '68.

Many details are yet to be hammered out. Perhaps the principal accomplishment of the Sidle commission was simply to get the Pentagon and the press talking again. "I think there is a general recognition that

things should have been done differently in Grenada," concluded longtime Associated Press Pentagon Correspondent Fred Hoffman. Said John MacLean, Washington news editor for the Chicago Tribune: "It's good that they sat down and had both military and press people express their feelings. It remains to be seen how it works out in practice." The commission's report summed up the situation: "An adversarial relationship between the media and the Government, including the military, is healthy and helps guarantee that both institutions do a good job. The appropriate media role [is] neither that of a lap dog nor an attack dog, but rather a watchdog." —By Janice Castro. Reported by

Ross H. Munro/Washington



Sidle talked...



...Weinberger listened



High-speed photography records a test deployment of the Mercedes-Benz Supplemental Restraint System. Within forty-five

The Mercedes-Benz Supplemental Restraint System: It works slightly faster than you can blink an eye.

IT IS SO UNOBTUSIVE and so nearly out of sight that day in and day out in normal driving, you may come to put it out of mind as well. To all but forget that it's there.

Then comes a sudden and major frontal impact. And in the next 45 milliseconds—faster than you can blink, or think, or move—it has intervened to help lessen the risk of injury to you and your front-seat passenger.

It is the ingenious combination of seat belt and air bag technologies and advanced electronics called the Supplemental Restraint System—SRS. With it, Mercedes-Benz believes the vital cause of occupant restraint can be significantly extended.

And after 15 years of development and 450 million

miles of real-world experience in production automobiles, Mercedes-Benz has decided to make SRS available in America. You can order the system today as an extra-cost option on selected 1984 Mercedes-Benz models.

MORE THAN AN AIR BAG

As the name suggests, SRS is meant to *supplement* a restraint system already built into every Mercedes-Benz: its three-point front seat belts.

Indeed, so crucial are seat belts to its operation that the Supplemental Restraint System can properly work only if driver and front passenger have both buckled themselves up beforehand.

Integrating seat belts into its function helps restrain

occupants, not only in major frontal impacts but in many other types of impacts. As air bags by themselves cannot do.

There is a still stronger reason why the Supplemental Restraint System concept does not work backward from the exotic air bag but forward from the familiar seat belt. Most serious automobile accident injuries result from the occupants being flung out of the car or against portions of its interior. And the fact remains that three-point seat belts represent the single most effective known defense against this risk. They are, in a word, indispensable.

UNIQUE FORMS OF DEFENSE

But in addition to seat belts, the Supplemental Restraint System mobilizes three unique forms of defense against the specific hazard of a major frontal impact.

For the driver—an air bag mounted in the steering wheel hub. And at knee level, a padded bolster to help prevent his lower body from sliding forward under the dashboard in a major frontal impact.

For the front passenger—an emergency tensioning retractor, fitted into the reel mechanism of his normal seat belt.

In the milliseconds following a major frontal impact,



milliseconds it can sense a major frontal impact, inflate the driver's air bag, and tighten the front passenger's three-point seat belt.

a built-in crash sensor electronically triggers two generators. One generator inflates the driver's air bag to insert a protective cushion between his head and the steering wheel—before he has even begun moving forward in reaction to the impact. The other generator simultaneously activates a pulley to tighten the front passenger's seat belt and

restrain his body before it can start moving forward.

The air bag then rapidly deflates. And the front passenger's seat belt—like the driver's—can afterward be released simply by pressing the normal quick-release button.

The system is built to satisfy the stringent quality control standards of Mercedes-Benz. And it is honeycombed with

safeguards against everything from accidental deployment to inappropriate deployment.

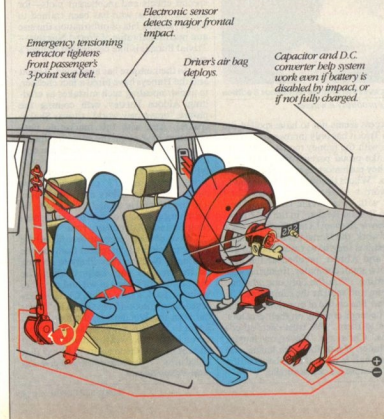
The system is designed to activate itself even if the car's battery were to be destroyed or made inoperable at the instant of impact. It is also meant to constantly monitor itself; and if a malfunction were detected, to signal it via an instrument panel warning light—prompting a quick check of the system by an authorized Mercedes-Benz dealer's service department.

TOWARD SAFER DRIVING

In a recent survey, Mercedes-Benz drivers reported a seat belt usage rate much higher than the current U.S. average. The belief is that these safety-conscious drivers will quickly grasp and accept the Supplemental Restraint System concept. That their acceptance will, in turn, help pave the way for wider understanding and use of this and similar systems.

And that sooner rather than later, driving in America can become safer as a result.

ANATOMY OF THE SUPPLEMENTAL RESTRAINT SYSTEM



Engineered like no other car in the world

Pac-Man for Smart People

The creators of Trivial Pursuit roll out a sequel

One Los Angeles fan took the game with her on a Kenya safari. At President Reagan's ranch near Santa Barbara, visiting journalists play the game when not filing reports. An octet of New York trivia junkies spends every available weekend hour on the game. "We've played through till 4 a.m.," says Ringleader Holly Thorner, "then started again first thing in the morning. We've played at meals and eaten off the game board. When there was a power failure we played by candlelight. There's still wax on the board."

Not so much a board game, more a way of life—this is Trivial Pursuit, the

look like harried grad students the night before finals.

Psst! They passed with honors. Trivial Pursuit has already sold more than 11 million copies in its Genus, Sports, Silver Screen and new Baby Boomer editions, bringing in \$400 million for Selchow & Righter, which is now manufacturing a million games a week to meet the demand. This fall stores will be inundated with Trivial Pursuit calendars, cartoon books and pencil caddies. ABC-TV is planning to air a Trivial Pursuit special. And in January the *Queen Elizabeth II* sets sail on an eight-day Trivial Pursuit cruise, with Abbott and the Haneys aboard.



John Haney, Scott Abbott and Chris Haney brainstorming questions for the new Genus II edition. "If half the room laughs and the other half is mad, it's probably a winner."

hottest cardboard entertainment since Scrabble, a flash-flood fad that looks to become an agreeable long-term habit. And as millions of informaniacs from the Hamptons to the White House West were testing their trivia wits this summer, the three Canadians (two former journalists and a retired hockey goaltender) who dreamed up the game in 1979 were sequestered in a motel on the outskirts of Toronto, crash-coursing the last 2,000 or so questions for the Genus II U.S. edition of Trivial Pursuit, due out next January. Scott Abbott and the brothers Chris and John Haney, multimillionaires and still in their mid-30s, could afford plusher accommodations, but, as Chris notes, "nobody bugs us, the phone doesn't ring, and we're only 20 feet from the motel bar." Strewn about the room are a globe, dozens of reference books and more than a few glasses of beer. In their rumpled clothes and their mood of heroic distraction, the young moguls

Success seems not to have spoiled the Trivial Trio; it has only increased their obsession with the money monster they created. Like proud parents with baby pictures, they push morsels of arcana on their visitors. "Who is the only U.S. President to have worn a Nazi uniform?" asks Chris Haney with an anarchic chortle. (Their answer: Ronald Reagan, in the 1942 movie *Desperate Journey*.) Then they turn back to their work, the Haneys calling out sample questions they have researched in advance, and Abbott, perched at the keyboard of a small computer, tinkering with the wording. ("I'm the only one who can chew gum and spell at the same time," he explains.) The choice of questions to be included depends entirely on their creators' reaction to them. "We trust each other's opinions," Chris says. "If everyone laughs, it's a winner. If half the room laughs and the other half is mad, it's probably still a winner because it's controversial."

The Pursuit team has three private categories into which most questions fall. The hardest ones are "stoppers," designed to trip up the trivia fiends. "In one edition," Abbott recalls, "we asked what hospital room number Ed Norton of *The Homecomingers* stayed in after being injured in a sewer explosion. Nobody in his right mind would know that. But somebody will." At the other extreme are the "mongies" (for mongoloid), "for people who are brain-dead at 1 in the morning," says Chris, "and they'll still get them right." Most questions, though, fall into "the broad middle ground, where any player feels he has a fair shot," says Chris. The best of these questions are the "snappers," short punchy questions with a kick. "Trivia," says Abbott, "isn't 'Who is Vanessa Williams?' Trivia is 'What's the name of the girl she posed with in all those pictures?'"

If Trivial Pursuit has suffered less from overexposure than the former Miss America, there are good reasons. First, the game is fun for more than one: you can be intellectually humiliated by all your friends all night long. Players must also exercise that most traditional of game skills, brain-mouth coordination; this is Pac-Man for smart people. Finally, the game exploits the baby-boom generation's love of disconnected facts. For anyone who came of age amid the blitz of ten-second commercials, three-sentence radio news reports, rock videos, the burgeoning soft-news industry and movies that are all special effects and incoherent plots—for anyone, that is, who has been trained to digest random bits of information the size and nutritional value of Pretz-I Nuggets—Trivial Pursuit is like condensed mother's milk.

As their empire has expanded, Abbott and the Haneys have hired a fact checker, to avoid repeating such mistakes as crediting Aldous Huxley with coining the phrase "brave new world" (it was Shakespeare). And with this marketing phenomenon have come the galloping imitations. More than 40 trivia boards are now available, from a Trivial Pursuit prototype, Jeopardy, to games sponsored by TIME, People and TV Guide. There are quizzes on Bible history and rock music, and the inevitable Sexual Trivia, with its searching questions on sperm counts, necrophilia and tribal puberty rites.

None of these games have so far led the public to beat a trivial retreat from the one and only. Nor are they likely to as long as its creators can keep tickling the cerebrum with flashes of wit and macabre whimsy. Back at the motel, Chris Haney rehearses a question from Genus II: "What did Stan the Wonderdog, the first dog in Spain to be fitted with contact lenses, not see on his first day wearing them?" Abbott chimes in with the answer: "The car that killed him." —By Richard Corliss. Reported by Adam Cohen/Toronto

Are "Bad Guys" Good Witnesses?

De Lorean's acquittal renews doubts about criminals as accusers

During the Los Angeles trial that ended with John De Lorean's acquittal on charges of drug conspiracy and possession, a striking tableau could be seen. At the defendant's table sat De Lorean, tall and handsome, boyish despite his 59 years, as smooth and sleek as the sports car he briefly manufactured. In the witness chair sat his key accuser, James Timothy Hoffman, 43, a hulking, 250-lb. convicted drug dealer and admitted perjurer whose latest job was as a professional informer, setting up his friends and acquaintances for Government stings. When the obese Hoffman appeared in the videotapes that were the chief evidence against De Lorean, he was almost always eating.

The contrast was obviously not lost on the jury. Indeed, the failure of the Government's prosecution of De Lorean called into question not only its handling of undercover operations but also a separate, though often related, procedure: the use of criminals as witnesses. The De Lorean case was the Government's third defeat in the past four months in major trials involving witnesses with unsavory backgrounds. Earlier this month, in a Cook County, Ill., case that was part of the Greyford investigation of judicial corruption, Judge John G. Laurie was cleared of bribery and other charges in part because the jury did not believe testimony against him by several corrupt witnesses, including two police officers. And the first trial of Nevada Federal Judge Harry Claiborne ended in a hung jury in April because the jurors gave little credence to the testimony of Joe Conforte, a thrice-convicted felon, former international fugitive and once owner of the Silver State's most notorious brothel. The raspy-voiced, Sicilian-born Conforte resembled a character in a Mario Puzo novel as he related how he had given Judge Claiborne \$85,000 in bribes to fix cases for him. Defense Attorney Oscar Goodman tore his testimony apart, offering evidence that Conforte was wrong on crucial dates and times. Claiborne was later retried—with Conforte conspicuously absent—and was convicted on tax charges.

Despite these expensive and humiliating defeats, there is little likelihood that the Government will change its investigative ways. Without what one lawman calls "creeps as witnesses," it would be impossible to solve most drug,

organized-crime and official-corruption cases. Dan Webb, U.S. attorney in Chicago, for instance, seldom tries a major criminal case in which some witnesses do not "carry baggage"—have criminal records. Webb's prosecutors may have set a record for the use of bad-guy witnesses, when in 1982 they paraded some 50 criminals into court to testify against ten police officers charged with taking bribes to protect the drug trade. "They were the dirtiest you could put on the stand," recalls Webb. "Their back-



Artist's rendering of Hoffman testifying against De Lorean
Prosecutors insist that it often takes a scoundrel to catch one.

grounds were as unsavory as they come—rapes, murders, dope transactions." Despite loud protests from defense attorneys that the witnesses were "born liars" and their appearance a "farce," all the officers were convicted.

But as the Claiborne case proved, convictions can rarely be won on the basis of such testimony. "Corroboration is the key," says Stephen Trott, chief of the Justice Department's criminal division. "Without corroboration, you're probably dead in the water." In the De Lorean case, the prosecution thought it had plenty of corroboration: dozens of audio- and videotapes in which the industrialist seemed to agree to invest in a 220-lb. cocaine deal. But the jurors indicated in interviews after the acquittal that they regarded the tapes as inconclusive; they were more

concerned about the credibility of the witnesses and their actions in setting up the sting. While Hoffman was unflappable during his 18 days on the witness stand, the impact of his accusations was dissipated by several disclosures: that he had erased some audiotapes that may have contained conversations with De Lorean; that he at one point asked for a cut of any proceeds from the De Lorean drug bust; and that months before the Government began its sting operation in earnest, Hoffman allegedly told a federal agent, "I'm going to get John De Lorean for you guys."

Judge Robert Takasugi added to the jurors' skepticism when in a final instruction he told them to look carefully at Hoffman's testimony. "The judge told us to weigh his background," said one juror. "I did, and I discarded a lot." Add to this a stumbling performance by the Government's own agents, one of whom admitted destroying or altering some of his notes on the case, and the outcome was not surprising. De Lorean was also helped by his clean record. Most jurors concluded that the automaker had been lured by Hoffman into a crime he was not predisposed to commit—the legal definition, loosely, of entrapment. In many drug cases the defendants have long criminal histories, making any claims that they were gullible ring hollow.

De Lorean Defense Attorney Howard Weitzman took the occasion of his victory to denounce Government sting operations generally and the use of operatives like James Hoffman in particular. The jurors, Weitzman said, felt Hoffman was a "liar" and were "offended" by the fact that he was paid about \$180,000 in "expenses" for his participation in the De Lorean and other investigations. While criminal witnesses are a "necessary evil," Weitzman believes "they have gotten out of hand; these people are given a license to fabricate and invent."

Prosecutors insist that in the unraveling of high-level criminal conspiracies, it usually takes a scoundrel to catch one. Says H. Richard Uviller, a criminal-law professor at Columbia University and former Manhattan prosecutor: "You'd love to have witnesses who are all picked for their virtue and sterling characters, but it doesn't always happen that way. And so you take them where you find them." Assistant U.S. Attorney Robert Perry made the same point to the De Lorean jury in the words of an old lawyers' axiom: "For a plot hatched in hell, don't expect angels for witnesses."

—By Michael S. Serrill
Reported by Richard Woodbury/Los Angeles and John E. Yang/Washington

Sport

Showcases for the No-Shows

Olympic records fall in rival Soviet-bloc games

As was often pointed out during the Olympics in Los Angeles, the athletes were competing not only against each other but against invisible opponents: the athletes of the Soviet-bloc nations that boycotted the Games. The question persisted: How might the results have differed if the Soviets and East Europeans had been there? Some answers, plus a few tantalizing speculations, emerged from two Communist-sponsored meets last week. In Moscow and several Soviet-bloc countries an event called the Friendship '84 Games was being staged. In Hungary the eighth annual Budapest Grand Prix was held. The news from both cities was not all that reassuring to Olympic champions. In all, more than 20 Soviet-bloc athletes posted better marks than those in Los Angeles, and at least seven of them set new world records.

Friendship '84 was conducted in accordance with the rules, regulations and traditions of the Olympic movement. While protesting that these were not "alternative" games, Soviet officials played up the parallels whenever possible, starting with blatantly nationalist ceremonies. On a gray and drizzly afternoon, the opening festivities at the 103,000-seat capacity Lenin Stadium were as much a political display as an athletic one. To the rousing tunes of a huge military band, 8,000 Soviet athletes marched around the oval with the same stiff-legged gait as Soviet troops. There were no marchers from any of the other 29 countries participating in Moscow. A burst of color was provided by hundreds of brightly costumed folk

dancers who fluttered across the field. After an exhibition of well-drilled gymnastics came the finale: 2,000 doves flew out of the stadium while the crowd chanted, "For sunny peace, yes, yes, yes; for nuclear war, no, no, no."

Next it was the Soviet-bloc women who put on a show. The Friendship winners were swifter than the Olympic gold medalists in every distance event in track: the 800, 1,500 and 3,000 meters. East Germany's Marita Koch bettered Valerie Brisco-Hook's time in the 400 meters by .67 of a second. Yet it was the water that seemed to be their element. At Moscow's Olympic pool, the crowd bellowed its approval as four East German women set a world record in the 400-meter freestyle relay. In the women's 100-meter freestyle, both Kristin Otto and Birgit Meineke of East Germany beat the winning time of Nancy Hogshead and Carrie Steinseifer of the U.S., who tied for the gold medal. "Luchshе chem Los Angeles" (Better than Los Angeles) was the phrase used over and over by the Moscow announcers.

The phrase was heard less often when it came to the men's events. In the 24 track-and-field events, the Soviet-bloc men outdid their hypothetical Olympic rivals in nine. Power, not speed, was their forte. In the brawny field events—hammer, javelin, discus and shotput—three Soviet athletes and one East German exceeded the winning distances in Los Angeles. In the pole vault, the high-flying Konstantin Volkov of the U.S.S.R. cleared 19 ft ¼ in., two inches higher than the winning Olympic vault. Five

world records were achieved in the pool. "The water is fast here," said one Soviet fan, and 6-ft. 4-in. Sergei Zabolotnov proved it. In the 200-meter backstroke, he defeated the European record holder, East Germany's Dirk Richter, in a world record time of 1:58.41 sec., slicing more than half a second off the record held by the U.S.'s Rick Carey, who took the gold in the event at Los Angeles.

The Budapest Grand Prix had been billed as a showdown between East and West, since a number of Americans and other non-Communist athletes were scheduled to appear. In the end, all the best-known Westerners except U.S. Supersprinter Carl Lewis decided to withdraw. Lewis, moody behind dark glasses, made little headway with the international press corps, but he had no trouble winning the 100 meters with a time of 10.05, .06 slower than his Olympic mark. Eight other winners at Budapest, all of them from boycotting countries, posted records better than those of Los Angeles.

Another Grand Prix winner was Yuri Sedikh, the tanklike Soviet hammer thrower. He seemed to expend more effort in getting to Budapest than in tossing the hammer more than 22 ft. farther than the winning mark in Los Angeles, setting a new world record. After his coach forbade him to participate, he appealed to the Soviet Sports Minister, who allowed him to make the trip. After his triumph, he appeared wistful in an interview. A winning statistic is still only a statistic, and to athletes there remains something magical about a gold medal. Sedikh may have been speaking for several of the victorious Easterners when he said, "I'd like to be an Olympic champion. Who knows if I can win the Olympic gold?"

—By Richard Stengel,
Reported by Erik Amfitheatrof/Moscow and
John Moody/Budapest

The march into Lenin Stadium



Moscow sportsmen display their club flag during the opening ceremonies of Friendship '84





YOU CAN'T EXPLAIN 3000 YEARS OF HATRED IN 2½ MINUTES.

Yet that is what the other evening news shows try to do. Not just with the Middle East, but with many complex issues.

That's why you should watch The MacNeil/Lehrer NewsHour every weeknight on public television. News stories get the time they deserve. The time *you* deserve.

You get more facts about a story. You get different sides. Most important, you get the analysis you need to understand the issues behind the stories.

Major funding for The MacNeil/Lehrer NewsHour is provided by AT&T, the national corporate underwriter.

**The MacNeil/Lehrer
NEWSHOUR**
Weeknights on Public TV



Books

Gingerly Removing the Veil

JOSEPHINE HERBST by Elinor Langer: Atlantic-Little, Brown; 374 pages; \$19.95

"Josie, I'd love you whether you wrote or not," said Saul Bellow in a letter to Josephine Herbst. He had plenty of company. During her long literary life Herbst attracted such disparate admirers as Maxwell Anderson, Katherine Anne Porter, Ernest Hemingway, James T. Farrell and John Cheever. When she died in 1969 at the age of 76, Critic Alfred Kazin, who had once dismissed her work as "desperate pedestrianism," wrote that he had never known any other writer who was "so solid, so joyous, so giving."

Elinor Langer's evocative, infatuated biography has brought the novelist to life with her quirky charm intact. Much of the book shows her as she appeared to her friends: more spontaneous and independent than any woman of her generation had a right to be. For more than 30 years she defended the underdog in leftist journals and in novels like *Rope of Gold*.

The Iowa girl had first been moved by the Depression-era plight of the Midwestern farmers. On a visit to Cuba in 1935, she chronicled the hopeless resistance to the new Batista dictatorship. The same year she was in Nazi Germany reporting on opposition to Hitler. In Spain in 1937, she witnessed the death throes of the Spanish Republic. Her biographer asks: "What could be a more vivid embodiment of a life lived according to principle?"

A more pertinent question posed by Langer's book might be: How well did Herbst's friends and admirers really know her? Apparently, not well enough. The misunderstanding is rooted in Herbst's involvement in the Communist Party after 1930. As Langer regretfully relates, when party interests were at stake Herbst was an accomplished liar. On occasion she could deceive herself. In 1930 the writer and her husband John Herrmann journeyed to the U.S.S.R. at the invitation of a party official. When they came home, Herbst plunged into party activities, just short of membership. Herrmann joined up and became a courier of stolen federal documents.

Langer's one-page account of the couple's decisive journey to the U.S.S.R. blandly echoes the letters Herbst was writing home at the time. Russians in the street look "vital and alert." The workers' kitchens are "so shining." This was the year of the great famine, a direct result of Stalin's enforced collectivization. Though Herbst may have been shielded from the

Former S. C. Girl Is Leader of Delegation Demanding Lifting of Spain Arms Embargo

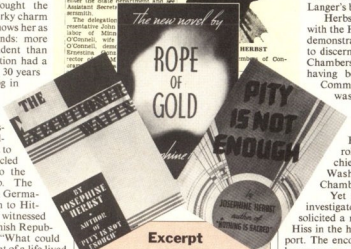
Josephine Herbst, Novelist, in Fight Against U. S. Rule

Washington (AP)—A Spanish-American woman, numbered by police at 1,200, marched on the State Department Monday to demand that the embargo against the shipment of arms to Spain be lifted.

The marchers were stopped in the park just south of the State Department and advised to the south lawn of the White House. They carried banners calling for speedy action by the government.

Police permitted a delegation to enter the State Department and an Assistant Secretary of State.

The delegation consisted of Josephine Herbst, novelist; Miss O'Connell, wife of O'Connell, demagogue; and Mrs. O'Connell, demagogue.



Excerpt

"I would like to be able to question without having someone accuse me of disloyalty," she wrote to Granville Hicks at the *New Masses*. . . This letter (and one other) are virtually the only references to the Soviet purges in Josie's letters. . . Josie was at Yaddo during the announcement of the Nazi-Soviet pact. A group photo taken the day before the invasion of Poland shows her face dark with worry. Why didn't she 'break' publicly with the Communist Party when she was so 'disillusioned' with it privately? If you burn your immediate past there is nothing left but ashes which are all very well for those heads that like nothing better than to be sprinkled with ashes," she wrote in the middle of the McCarthy era. She felt far too keenly the stir of the revolutionary idea to be able to abandon it now.

grislier effects of the mass starvation that cost 6 million peasant lives, she could not have failed to see what other travelers were reporting: hordes of hollow-eyed families begging at every railway station.

The only work Herbst published at the time about her experience was a piece in the *New Republic*. The description of a writers' conference did not mention a shortage of food, only a plenitude of books.

Thirty-eight years later Herbst published a brief reminiscence of the trip that should have prodded Langer, usually an indefatigable researcher, into inquiring about conditions in the U.S.S.R. at the time of the visit. Herbst wrote that she had failed to ask about the collectivization that had uprooted "flocks of human beings, to starve or die." Instead, not a word about the famine appears in Langer's book.

Herbst's behavior in connection with the Hiss-Chambers case further demonstrates her growing inability to discern truth. In 1948 Whittaker Chambers accused Alger Hiss of having been a fellow spy in the Communist underground. Herbst was privy to information

that partly substantiated Chambers' claim. In fact, as this book discloses, Herbst's husband, in his role as aide to the party's chief recruiter of agents in Washington, first introduced Chambers and Hiss.

Yet she repeatedly lied to FBI investigators. At the same time, she solicited a meeting with attorneys for Hiss in the hope of giving aid and support. The encounter was a disaster. The lawyers were appalled by Herbst's off-hand attitude about espionage. In their notes they observed that she had "no real concern about people working for the Government, taking papers and supplying information surreptitiously to the Communist Party." Later Herbst confided to a friend, "The Hiss case was handled wrongly . . . as indeed I suggested to his lawyers all along. He should have been more frank . . . Admitting smaller things would have validated major denials. Any novelist could have told them that."

A novelist who offers advice on how to lie as effectively in life as in fiction is likely to have trouble writing anything honest, especially memoirs. For the last 15 years of her life, Herbst vainly attempted to compose hers. But as Langer notes, to be straight with herself and others, the writer "would have had to remove the veil over some very sorrowful private and political moments." Langer has gingerly removed that veil. In the process, she has exposed more than she wanted to and more than Herbst's loving friends could ever have supposed.

—By Patricia Blake

THE TRIVIAL PURSUIT® SURVIVAL KIT.

While the Trivial Pursuit® game shortage lasts, please accept our apologies (and a few samples to tide you over).

G What U.S. city has been called Little Havana?

E What movie theater has sold the most tickets?

H What British peerage gave its name to an overcoat, a sofa and a cigarette?

AL What actor's autobiography is titled *All My Yesterdays*?

SN What is xenophobia?

SL Who retired with 755 home runs to his credit?

G What country is home to Heineken beer?

E How many seconds usually elapse before the tape self-destructs on *Mission: Impossible*?

H What date in 44 B.C. was Julius Caesar assassinated?

AL What heroic group did D'Artagnan lead?

SN What's the term for opposition to an electrical current in a conductor?

SL What's the main vegetable in vichyssoise?

G What are the only two landlocked countries in South America?

E Who was the first host of the original *Tonight* show?

H What British prime minister's mother was born in Brooklyn, New York?

AL What philosopher-author lived on the shores of Walden Pond?

SN What's the hardest bone in the human body?

SL Who's the youngest golfer to have won the Masters?

G What country is the resort city of St. Moritz in?

E What film featured the line: "Open the pod bay door, Hal"?

H What song is traditionally heard when the president of the U.S. arrives on the scene?

AL Who wrote *The Secret Life of Walter Mitty*?

SN What substance must mix with food to give it taste?

SL What team did Abraham M. Saperstein establish and send on the road in 1927?

G What city is served by Dulles International Airport?

E Who won the 1961 best actor Oscar for his role in *Judgment at Nuremberg*?

H What army was founded by William Booth and his wife Catherine?

AL Whose biography is titled *Hitch*?

SN What's the largest satellite orbiting Earth?

SL What drink was invented by oilmen, who used their tools to stir it?

G What's the world's smallest independent state?

E Where did Betty meet the leader of the pack?

H What was described as: "Two all-beef patties, special sauce, lettuce, cheese, pickles, onions and a sesame seed bun"?

AL Who wrote the poem *The Road Not Taken*?

SN What food got its name from the way it hung in bunches like grapes?

SL What playing card was once known as *the devil's bedposts*?

Turn page for answers.

THE TRIVIAL PURSUIT[®] SURVIVAL KIT (CONT.)

If you like these, remember:
there are 5,964 more questions
in the Trivial Pursuit[®] game
worth waiting for.



Genius

- G** The Netherlands
- E** Five
- H** March 15, or the Ides of March
- AL** The Three Musketeers
- SN** Resistance
- SL** Potato

Genius

- G** Miami
- E** Radio City Music Hall
- H** Chesterfield
- AL** Edward G. Robinson's
- SN** Fear of strangers or foreigners
- SL** Hank Aaron

Genius

- G** Switzerland
- E** 2001: A Space Odyssey
- H** Hail to the Chief
- AL** James Thurber
- SN** Saliva
- SL** The Harlem Globetrotters

Genius

- G** Bolivia and Paraguay
- E** Steve Allen
- H** Winston Churchill's
- AL** Henry David Thoreau
- SN** The jawbone
- SL** Severiano Ballesteros

Genius

- G** Vatican City
- E** At the candy store
- H** A Big Mac
- AL** Robert Frost
- SN** Grapefruit
- SL** The four of clubs

Genius

- G** Washington, D.C.
- E** Maximilian Schell
- H** The Salvation Army
- AL** Alfred Hitchcock's
- SN** The moon
- SL** The screwdriver



TRIVIAL PURSUIT[®] is the registered trademark of Horn Abbot, Ltd. (Canada) for the game manufactured and distributed in the United States under license to Selchow & Righter, Bay Shore, N.Y.



No Escape

THE FOURTH PROTOCOL
by Frederick Forsyth
Viking; 389 pages; \$17.95

Reality is nasty stuff, tending as it does toward onrushing appointments for root-canal surgery and tuition bills. So it is extremely sad to report that one of the century's most dependable mechanisms for reality avoidance, the many-times-retold spy thriller whose gray secret is the mole in the British intelligence service, is in deep trouble. This is not really the fault of Frederick Forsyth, whose prose and plotting are no clunkier than those of other literary spy masters who borrowed the mole genre after John le Carré was through with it.

"I'm looking for a pattern, Sir Nigel,"



Frederick Forsyth

Forsyth's hero, Agent John Preston, reports to his boss. "It's all I can look for. A pattern of entries and exits by the same passport number . . . It's not much, but it's all I have."

The doom that Preston is trying to avert is fearsome enough. Some especially nasty types in the Kremlin have hatched a plot to smuggle a small nuclear bomb into England in pieces, assemble the thing and set it off near an American cruise-missile base. The physical damage will not be devastating, except in the immediate area of a few square miles. But the Soviets hope that the explosion will be taken for that of a U.S. nuke gone haywire. Leftists and peaceniks will then redouble their anti-American baying, and the Labor Party, dominated by pro-Soviet operatives, will take over England in the next election.

It is puzzling why the villainy, and Preston's dogged efforts to cope, should fail as escape literature. The plot of *The Fourth Protocol*, including the burrowings of the mole who tries to foil Preston, is no more stale or unbelievable than most.

Freshness and credibility, in any case, are not requirements. Perhaps the reason is that Preston is without a side. Le Carré would have given him a faithless wife, or at least an ingrown toenail, to tease the mind with antiheroic irony.

Still, even a cardboard hero should not be fatal in the reality-avoidance game. The reader is willing to spend a couple of evenings in Preston's numbing company if doing so will let him put off thinking about that oral surgery or those dunning letters from school. What overstrains Forsyth's vehicle to the point of collapse, when other thrillers no less dim clutter on dependably to their conclusions, may be that the author has weighty ideological points to make. His first intention is not to write an entertainment but to preach a political sermon. Its burden is that leftists and peaceniks really are fools whose habitual prating endangers civilization. Forsyth puts forward this view, at the cost of stopping all narrative action, in a twelve-page position paper. It is supposedly a memo from the real-life mole Kim Philby to the head of the Soviet Communist Party.

Such Op-Ed argumentation has begun to appear, alas, in other thrillers. Its most notable recent use was in General Sir John Hackett's two books noisily predicting a third world war. But Hackett's purpose was not to write novels; it was to use the techniques of fiction to argue his case for a buildup in conventional arms. An escape narrative must be nimble. In *The Spy Who Came in from the Cold* and his later novels, Le Carré gave the spy thriller all the ideological baggage that the pockets of a trench coat could handle, namely the message that espionage is a dirty business whose dirt is fairly evenly distributed on both sides. Forsyth was darkly entertaining in *The Day of the Jackal*, but his new book is tract writing, and its tendentious guff leaves the reader where he started, unwilling to believe and unable to escape.

—By John Skow

Pinched Minds

SALAD DAYS
by Françoise Sagan
Translated by C.J. Richards
Dutton; 159 pages; \$13.95

Pinch the genre novelist who embarks on a different course. For more than 25 years, Françoise Sagan has published brief, ironic tales of love lost or betrayed. She is a supremely confident writer, both in her resolute economy of style and in her command of the milieu she describes: the frivolous, overwrought bourgeois society where emotion can be both teased and indulged.

This book, published in France four years ago, has a radically different setting, the working-class world of a grim little town outside Lille, and the author has been lectured by French critics for attempting it. She borrowed the plot from a 1965 short story by Jean Hougnon, who

You don't have to
settle for that ordinary
ball point pen . . .
now there's Pentel®
SuperBall™



The day of the plastic stick ball point pen with that goeey ink that skips, blobs & smears is over. SuperBall is a dream. Its ingenious ball & socket system produces a remarkably uniform line without goo . . . just a bright, crisp line of 100% liquid ink. Smooth, clean writing in a choice of no-fade colors. Pentel SuperBall, the best there is.

BEING BETTER IS WHAT WE'RE ALL ABOUT™

Pentel

PENTEL OF AMERICA, LTD.

GRECIAN[®] MEN NEVER DYE

THEIR GRAY
JUST FADES
AWAY

GRECIAN FORMULA 16[®]

You just can't tell who's using it.

NEW YORK CITY BALLET APPEARING HERE!

Oct. 9-14



On October 9th, the New York City Ballet premieres in Minneapolis, the first of seven Minneapolis performances. It's a rare and exclusive Midwest engagement by this world-famous dance company. For ticket information write: 105 Northrop Auditorium, University of Minnesota, MN 55455-0202, or call: (612) 373-2345 weekdays, 8:30-4:30.

**northrop
dance
season**

"I take my
high blood pressure
pills only when
I'm nervous
or upset."

"No...
you can't
take care of
high blood pressure
now and then.
Stay on your
treatment
every day.
Even when you're
feeling good.
Don't take
high blood pressure
for granted.
Take care
of it...
every day."



HIGH BLOOD PRESSURE
Treat it for life.



The National High Blood Pressure Education Program
The National Heart, Lung, and Blood Institute,
National Institutes of Health, Public Health Service,
U.S. Department of Health and Human Services.

brought suit against her; Sagan won the case on appeal. The outline is familiar, maybe even a bit hoary: Gueret, a down-trodden bookkeeper, despised by his bosses and his landlady, stumbles upon a cache of jewels. They were lost in the course of a murder, which Gueret did not commit but Mme. Biron, the landlady, thinks he did. She is a retired Marseille moll, and in her eyes Gueret's bravado raises him from an irritating reminder of her reduced circumstances to a means of escaping from them.

She also develops a kind of grudging affection for him. He is an appalling bumpkin, young enough to be her son. Admitted to her favor, he abruptly falls in love with her. The bookkeeper celebrates his new ascendancy by lighting cigarettes Bogart-style and shaking his head in the worldly way of Edward G. Robinson. She rents a preposterous weekend apartment



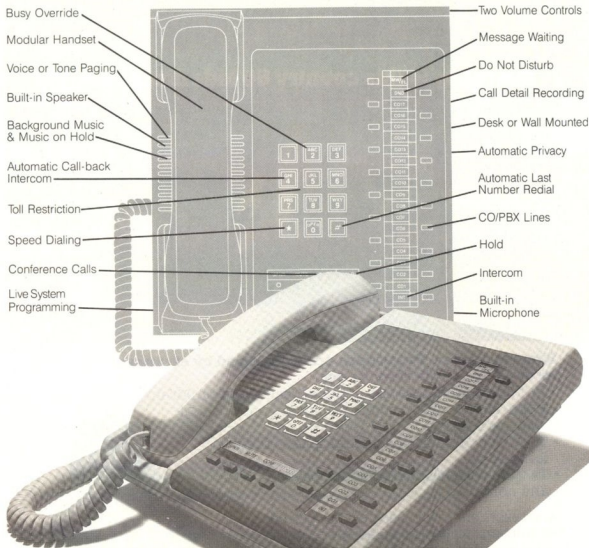
Françoise Sagan

in Lille, where she and Gueret calculate their future in the Congo or Senegal, "two unlikely, hardworking lovers... planning for their years of triumph and luxury." But Mme. Biron has also got in touch with an old gangster crony in Marseille to help her fence the jewels, and after that, reality takes a brutal measure of the couple's dreams.

How the American publisher came up with a blithe title like *Salad Days* (the French title is *Le Chien Couchant*) for this predictable little morality tale is hard to figure out. Sagan is writing against her strength. She seems to have little access to these pinched minds, so that her customary grace notes—sly humor, sheer oddity—are rarely struck. But the story is told in sure-handed fashion, and it is flawlessly paced. Gueret at least is a convincing character, and the author takes an unexpectedly hearty interest in his clumsy pursuit of Mme. Biron. The French critics are doubtless right that this is second-class Sagan, but there is enough here to justify her exploring the low road for once.

—By Martha Duffy

WHEN TOSHIBA DESIGNS A COMMUNICATIONS SYSTEM, IT MEANS BUSINESS.



We mean business!

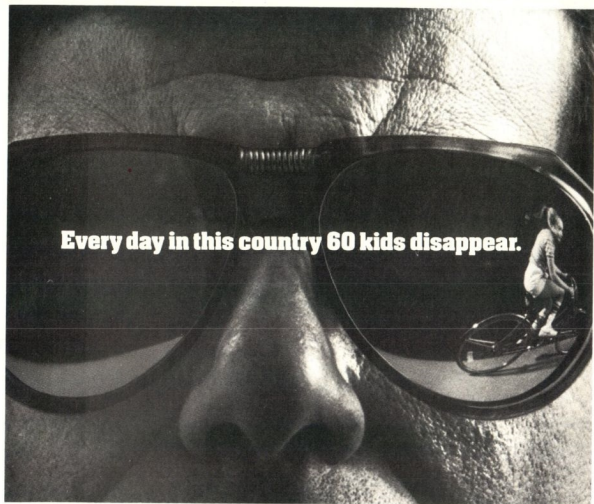
At last...all the features you've been looking for in a reliable business telephone system: Dependability, expandability, economy, and comprehensive support from our nationwide dealer network. Toshiba's Strata® a micro-processor controlled Electronic Key Telephone System, has a capacity of up to 21 lines and 56 phones. Attractively packaged, easy to install and use. Strata's many features can be custom programmed to your individual communications needs. For the Toshiba Dealer nearest you, call or write today.

Toshiba America, Inc.,
Telecommunication Systems
Division, 2441 Michelle Drive,
Tustin, CA 92680 (714) 730-5000
or 111 Business Park Drive, Armonk,
NY 10504 (914) 273-1750

In Touch with Tomorrow

TOSHIBA

Communications with Tomorrow's Efficiency. TOSHIBA AMERICA, INC.



Every day in this country 60 kids disappear.

Some run away. But others are kidnapped by strangers, or even by people they know.

Don't let your child be one of them. Teach your children:

- Not to accept rides or money from anyone without your permission.
- To tell a policeman if someone makes them feel scared.
- To walk with friends to school, parks, and home.

And teach 'em today. Because for a child who doesn't know the rules, no neighborhood is safe. Not even yours. To find out more, write me, McGruff the Crime Dog, at Crime Prevention Coalition, Dept. A, Box 6600, Rockville, Md. 20850. And find out how you can...



McGruff™
the Crime Dog

**TAKE A BITE OUT OF
CRIME**

Cinema



Lynch and Mirren in *Cal*: amid permanent terror, a sense of resignation

Passion on a Darkling Plain

CAL Directed by Pat O'Connor; Screenplay by Bernard Mac Laverty

All twinkly and crinkly, spouting sentimental songs and blarney-encrusted stories, the face of a certain kind of jolly theatrical performer used to be referred to as "the map of Ireland." For a revised and updated emotional cartography, audiences are advised to stare long and hard into the physiognomy of John Lynch. A young actor of Roman Catholic stock who grew up in Ulster, he plays the title role in *Cal*, a brooding, subtle film that dares to make the only valid response to the endless violence of life in Northern Ireland today: a sort of strangled horror.

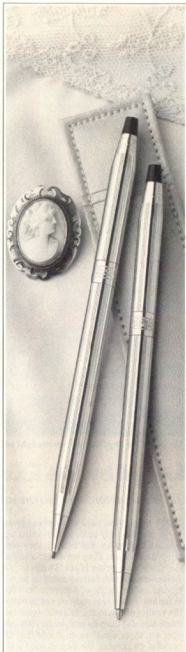
Sallow and sharp-featured, his unkempt hair a veil that flops down to hide the anguished confusion that haunts his eyes, Lynch's Cal is superficially a Belfast archetype. He is an unemployed adolescent from a broken home, trying to draw a curtain of rock music between himself and the terror-ridden streets, where glibly impassioned rhetoric is punctuated by the sound of explosions. Still, there is time on his hands and an emotional need to fill, so he drifts, convictionless, into the I.R.A.'s orbit, driving getaway cars for their "revolutionary" crimes. One of these forays results in the murder of a police constable named Morton (and the unintended maiming of his father) on the farm three generations of the family share. Why the man was marked for death was not explained to Cal, and political generalities after the fact cannot rationalize the dreadful specificity of what he witnessed. For this odd boy out, the murder becomes an enigmatic, recurrent nightmare.

When the policeman's widow, a librarian named Marcella (Helen Mirren), is pointed out to Cal, he begins slyly, shyly to stalk her. Whether he seeks love or absolution—or merely to assess the damage

done another victim of the act he abetted—he could not say. And the movie is resolute in its refusal to speak for him or, indeed, for anyone caught in the narrative web it constructs out of loosely woven naturalistic fibers. As it demonstrates through its minor figures the stupefaction that permanent conflict imposes on its victims, the film permits Cal to draw closer and closer to the older woman, upsetting the silent compromise she was on the verge of making with life. He gets a job on the farm and then a place to live there and, finally, becomes her lover before his inescapable past re-encircles him.

Cal is one of the least articulate movies ever made. Its dialogue is deliberately banal, half-formed thoughts trying to force their way through a screen of clichés. And it is often murmured in tones an American auditor may have trouble apprehending. But this is a conscious choice on the part of Writer Bernard Mac Laverty, adapting his own novel. Director Pat O'Connor, whose first feature this is, and their exemplary actors. This, they are saying, is the sound of repression. They are also saying that when terror establishes itself as a habit, it passes beyond the power of reason to understand it or words to explain it. In the world they place before us, action is no longer character. Numbness is.

There is too a kind of resignation in the manner with which Cal and Marcella reach out to each other. They seem to understand implicitly the humane gesture's futility in a gray-skied climate where the cold has seeped into everyone's bones. But if these lovers can make contact only briefly and tentatively, the film—a passionate whisper from a darkling plain—takes a firm grasp on one's attention. It is a very fine thing. —By Richard Schickel



ELEGANCE A WOMAN
CAN USE EVERY DAY.

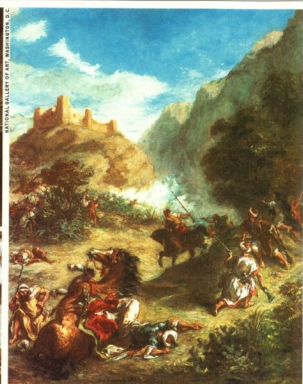
CROSS[®]
SINCE 1846

Give the beautiful gift of new Cross for Women in 10K gold filled. With its own pen purse and lifetime mechanical guarantee. Suggested prices: \$25 each, \$50 the set.

Art



Gerôme's *The Rug Merchant*: subtle light and a "licked surface"



Delacroix's *The Collection of Arab Taxes*: assaulting a mirage

Lured by the Exotic East

In Washington, an opulent survey of the Orientalist movement

The pictures used to seem exaggerations—they seemed too weird and fanciful for reality. But behold, they were not wild enough. They have not told half the story." So wrote Mark Twain in *The Innocents Abroad*, carried away as he was by the exotic sights of Morocco in 1867. Whether Twain was right or not, whether the reality of life in the Islamic world was more fanciful than its images in 19th century art, there could be no doubt that the popular pictures of the day exuded a fictive sensuality: the odalisque, her breasts exposed, her belly barely covered by harem trousers, lounging on a divan as she awaited a pasha's pleasure; swarthy eunuchs, armed with saber and musket, standing guard at the seraglio gates; the *almah*, or Egyptian dancing girl, clapping her castanets as she strips off her veils; the nubile concubine displaying her roseate flesh in a Turkish bath.

These erotic scenes, replayed in countless variations by such academic painters as France's Jean-Léon Gérôme and England's John Frederick Lewis, kept the crowds coming to the shows organized by the Académie des Beaux-Arts in Paris and the Royal Academy in London. By the turn of the 20th century a host

of French and English artists, and a few venturesome Americans, had been drawn by the lure of "the Orient": a term that then denoted not the Far East but the Middle East and North Africa.

Capitalizing on the rage for things Oriental that had also seized writers such as Pierre Loti and Gustave Flaubert and scholars like Sir Richard Burton, the Orientalist artists vied with one another in seeking out exotica. Harems aside, the subjects that most mesmerized them were slave markets, carpet bazaars, whirling dervishes, Arab stallions, caravans of caparisoned camels and wind-whipped burmooses of Bedouins on the sands of the Sahara. "There is a fortune to be made for painters in Cairo," noted William Makepeace Thackeray on a visit to Egypt in 1844. "I never saw such a variety of architecture, of life, of picturesqueness, of brilliant color, of light and shade. There is a picture in every street and at every bazaar stall." Some 70 years later another novelist, E.M. Forster, foresaw a dreary end to the Orientalist movement. In a letter to a friend about a voyage through the Suez Canal, he wrote, "It was like sailing through the Royal Academy—a man standing by a sitting camel, followed by a

picture of a camel standing by a seated man: picturesque Arabs in encampment, ditto in a felucca."

As Forster had predicted, Orientalist painting in its academic manifestations fell into disrepute in this century, though a few of its pictorial motifs continued to exert a lively influence on some modern painters. That the movement's appeal can be readily reactivated, however, is attested by "The Orientalists," an opulent exhibition of 102 paintings currently on view at Washington's National Gallery. The phenomenal attendance at the show—124,000 people since July 1—indicates that the paintings are still as much fun to look at as they are instructive to contemplate. And in the case of the great master of the movement, Delacroix, and its modernist heirs, Matisse and Kandinsky, Orientalism remains a source of bedazzling beauty.

The vogue for Orientalism began with Napoleon, who had a knack for creating fashion out of his bloodiest conquests. The French occupation of Egypt in 1798 produced a rash of armchairs decorated with ormolu sphinxes, tables on pyramidal bases and paintings by Baron Jean-Antoine Gros. These canvases were exuberant depictions of Napoleon's exploits, based on detailed accounts by eyewitnesses. But, as in most propagandistic art, the eyewitnesses turned out to be conveniently blind. For example, the celebrated *The*

Pesthouse at Jaffa (one of three Gros works included in the Washington exhibition) purported to document Napoleon's visit in 1799 to French soldiers struck down by the plague in Egypt. Bonaparte is portrayed as the picture of compassion, braving infection as he reaches out, Christlike, to touch one of his stricken men. In reality, as one person later reported, Napoleon was seen "lightly kicking the infected men with the sole of his boot."

Towering over Gros's minor historical curiosities, the show's eight canvases by Delacroix stand out as supreme achievements of 19th century Orientalism. *Combat Between the Giaour and the Pasha* was inspired by Byron's 1813 poem *The Giaour: A Fragment of a Turkish Tale*, wherein a Venetian warrior (the *giaour*, or infidel in Turkish) steals a pasha's favorite concubine. So enamored was Delacroix of this saga of passion that he depicted its violent conclusion six times. In the *Combat* version, the *giaour* and the pasha do battle astride black Arabian horses, brandishing Turkish weapons that Delacroix had sketched from originals belonging to a French collector.

Yearning for the real Orient, Delacroix complained of life in Paris in his journals: "Is it living to vegetate like a fungus on a rotten trunk? . . . What can Egypt be like? Everyone is mad for it. Please God! The Salon will soon bring in enough to allow me to start on my travels." Delacroix's wish was finally granted in 1832, when he was invited to join a French diplomatic mission that was negotiating with the Sultan of Morocco. During his six-month trip he kept seven notebooks of pen-and-watercolor sketches and written notes that together constitute one of the marvels of French art history.

Many of Delacroix's jottings concern the heroic Arabian steeds he loved to paint. He once sketched a battle between two stallions deep in the Moroccan hinterland. "They stood up and fought with a fierceness that made me tremble, but it was really admirable for a painting," he noted. For the next 30 years the artist would draw upon these and myriad other observations in his notebooks for his great

Orientalist canvases, including his last, *The Collection of Arab Taxes*. Painted in 1863, the year of the artist's death at the age of 65, the picture is curiously emblematic. It shows a stallion fallen in the midst of an assault on a mysterious castle that shimmers like a mirage on the horizon.

Among all the Orientalists who painted odalisques, only Delacroix actually succeeded in penetrating an *oda*, the forbidden inner sanctum of a harem. His record of the visit, the magnificent *Women of Algiers*, is missing from this show, though it is arguably the most influential picture in the Orientalist canon. Cézanne remarked that the color of the red slippers belonging to the three odalisques in Delacroix's picture "goes into one's eyes like a glass of wine down one's throat." Renoir said he thought he could smell incense when he got close to the painting. But the greatest tribute to *Women of Algiers* was paid by Picasso, who painted 15 variations on Delacroix's picture in 1954 and 1955.

Delacroix's real-life harem scene conspicuously lacked the eroticism that made his fellow artists' imaginary concubines so popular. Indeed, painters and public alike were indifferent to the French novelist Théophile Gautier's observation, confirmed by Delacroix, that "dignity and even chastity" reigned in the Muslim harem. The naturalist painter Gérôme tried to offset his ignorance of harem interiors in some instances by painting sexy French models against the background of the Turkish baths he had sketched in Cairo. Renoir, who traveled twice to North Africa in the 1880s, complained that British artists had so overpaid models in Morocco that he could not find a cheap enough sitter to represent a concubine. For his *Woman of Algiers*, Renoir made do with his own darkly voluptuous mistress Lise Tréhot, decked out in bells, beads, Turkish pantaloons and other oddments of Eastern costume. As for Ingres, who produced the greatest odalisques of them all, he scarcely strayed from his Paris studio. The Orientalist touches in his pictures served largely as an excuse for painting the naked figure,

which during much of the 19th century was unacceptable unless it was presented in a foreign or classical context. In his *Odalisque and Slave*, Ingres copied a landscaped garden, an ornate fan, a jeweled headdress and other details from Persian miniatures and from descriptions supplied by travelers to the Arab world.

The Orientalist exhibition originated at London's Royal Academy, but the National Gallery version has been reinforced by 50 more pictures from U.S. museums. The role of Gérôme has been particularly played up, with eight pictures having been added to the four that were exhibited in London. The most arresting of them all is *The Rug Merchant*, with its subtly managed interior light, its meticulously executed detail and its once fashionably "licked surface," in which the canvas appears prematurely polished and free of brush marks. Sadly scanted, however, are the American artists who heeded the siren call of Orientalism. Among the rare American pictures is Elihu Vedder's *The Questioner of the Sphinx*, an ineffably silly work that depicts an Arab crouched at the mouth of a sphinx. Most grievously absent is John Singer Sargent, whose wondrous concoction of white robes and smoky incense, *Fumée d'Ambre-Gris*, hangs in the Sterling and Francine Clark Art Institute in Williamstown, Mass.

But a stroll past the frankly conventional and documentary 19th century paintings in the show reaches a most satisfying climax in the final room. Here the curators have hung two Kandinskys, *Improvisation 6 (Africa)* and *Oriental*, and five Matisse's. Familiar in their radical perception of intense color and patterning, these stunning modernist pictures may now be clearly seen to spring from the homely anecdotal function of 19th century Orientalist art. From Matisse's *Odalisque in Red Trousers*, with its wild yet canny mixture of background patterns, it is only a step or two up to the tower of the east wing of the National Gallery, where Matisse's superb *Grande Décoration avec Masques* permanently resides—surely the glory of Orientalism in our century.

—By Patricia Blake

Ingres's *Odalisque and Slave*: an excuse for painting the naked figure

Matisse's *Odalisque in Red Trousers*: a radical perception of patterning



WALTERS ART GALLERY, BALTIMORE

WALTERS ART GALLERY, BALTIMORE

Religion

Deliberation at the Vatican

A leftist Latin American theologian faces interrogation

When Father Leonardo Boff completed his doctoral dissertation at the University of Munich 14 years ago, German Theologian Joseph Ratzinger steered it to a publisher. Matters have become more problematic since then. Boff, 45, is now Brazil's leading exponent of "liberation theology," a controversial movement that blends elements of Marxism with Christianity. Ratzinger is a Cardinal, and Pope John Paul's most powerful theological watchdog at the Vatican.

The two men will meet on Sept. 7 at the Vatican, when Ratzinger's Congregation for the Doctrine of the Faith will begin an interrogation of Boff to decide whether retractions should be required. It will be the first notable face-to-face grilling of a scholar since left-wing Father Edward Schillebeeckx of The Netherlands was summoned to Rome in 1979. The Boff case could prove far more important, since a movement is on trial as much as a man.

Though Boff has been under close Vatican scrutiny since 1975, the current crisis results from his 1981 book, *Church: Charism and Power* (due in English next January from Crossroad). Like all liberation theologians, Boff sees the essential mission of Christianity as a political mobilization of the poor. But his book fervently applies similar revolutionary analysis to the structure of the church. In one of the controversial passages, Boff writes that in the classic view "the churchgoer has nothing" while "the bishops and the



Brazil's Father Leonardo Boff

"There is no direct link to Marxism."

priests received everything. It is true capitalism." As he explains to TIME, "The Vatican wants to centralize the church around the Pope and Rome. Liberation theology challenges that view, opting for a more decentralized church."

In liberation theology, Boff contends, "there is no direct link to Marxism"; theologians may employ Marxist theory and terms, but they are anticapitalist not pro-Marxist. Boff states, "We oppose state socialism because it is authoritarianism. We do, however, recognize that countries like

Cuba are better off now than before the revolution. For one thing, there are no slums in Cuba."

Boff, who teaches at a Franciscan institute in Petropolis, claims backing from the progressive majority of Brazil's bishops and reports that 30 have already sent him letters of support. Aloisio Cardinal Lorscheider of Fortaleza, former president of the Latin America-wide bishops conference, may even sit at the defense table in Rome. But not all the Brazilian bishops are so sympathetic. Eugenio Cardinal de Araujo Sales of Rio de Janeiro, a leading conservative, warns that liberation theology "constitutes one of the gravest risks to the unity of pastors and the faithful."

After visiting Nicaragua last year, Pope John Paul ordered Ratzinger to begin special examination of the theological conflict. The Pope has repeatedly opposed political violence and hate, and in a recent message to bishops in Africa said that the church cannot use "analysis based on class distinction and class struggle" when it aids victims of injustice.

Given the delicacy of the conflict, the Vatican may not issue any condemnation of Boff by name, at least for a while. But one senior Vatican official says that a substantial papal policy statement on liberation theology is forthcoming, probably after John Paul visits the Caribbean in October and before he sets out for South America in January. Once the document has drawn the line, Rome will attempt to curb the use of Marxist theory among Third World Catholics.

—By Richard N. Ostling.
Reported by Michael Kepp/Rio de Janeiro and Roberto Suro/Rome

Milestones

ENGAGED. *Gilda Radner*, 38, loudmouthed, lantern-jawed comic actress on TV's *Saturday Night Live*, in films (*First Family*) and on Broadway (*Lunch Hour*); and **Gene Wilder, 49, cherubic actor whom she met in 1981 on the set of *Hanky Panky*, where they fell in love both on- and off-screen (real life and reel life diverge in their latest movie together, *The Woman in Red*, in which he stars and directs and she co-stars as a spurned admirer); in Los Angeles. The marriage, her second, his third, is planned for October in Connecticut.**

SEEKING DIVORCE. *Mariana Simionescu*, 27, former Rumanian tennis star who gave up her career to be a tournament wife; and **Björn Borg**, 28, alltime tennis great (five Wimbledon championships, six French Open titles) who retired last year after international competition stopped being "fun"; by mutual consent after four years of marriage, no children; in Monte Carlo.

DIED. *Truman Capote*, 59, eternal *enfant terrible* of American letters and author of *Breakfast at Tiffany's*, *In Cold Blood* and several collections of short stories; of unknown causes; in Bel Air, Calif., where his body was found by police in a mansion owned by Johnny Carson's former wife Joanne. Born in New Orleans and raised a lonely child there and in New York City and New England, he was hired at 17 by *The New Yorker* as a cartoon sorter; even before the huge success seven years later of his first novel, *Other Voices*. *Other Rooms*, he was famous in Manhattan literary circles for his lyrical, funny and gothic short stories, nearly all on the theme of loneliness. He went on to adapt his stories for the stage, produce screenplays and write nonfiction works. *Of In Cold Blood*, his horrific 1965 account of the murder of a Kansas family by two drifters, he boasted that he had created a new genre, the nonfiction novel. As much a member of the glitterati as the literati, Capote was a gossipy, party-loving syba-

rite with a gift for self-promotion and TV talk-show repartee. In recent years, however, his productivity faltered and he struggled—as frequent news reports about his hospitalizations and drunken-driving arrests gave witness—with an addiction to drugs and alcohol.

DEATH REVEALED. *Nina Khrushchev*, 84, widow of deposed Soviet Leader Nikita Khrushchev and one of the few Communist high officials' wives to appear frequently in public or to develop an independent identity; in Moscow on Aug. 8. A schoolteacher who married Khrushchev in 1924, she was his second wife and bore him three children (a son, Sergei, and a daughter, Rada, survive). After her husband's accession to power, she accompanied him on several trips abroad, notably to the U.S. in 1959, where she emerged as warm, witty and charming. After Khrushchev's ouster in 1964, followed by his death in 1971, she lived quietly at her dacha outside Moscow.

ALL GOLD IS NOT CREATED EQUAL.



The Premier Symbol Of Worldwide Acceptance

Like a mint mark on bullion, the symbol "P" in gold on the new Premier Visa Card is your assurance of quality. And just as 24-karat is worth more than gold plate, the Premier Visa Card surpasses any other payment card when it comes to acceptance.

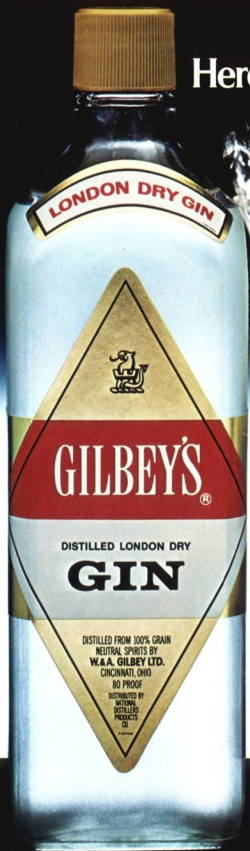
The Premier Visa Card carries the most widely accepted name in the world for travel, shopping, entertaining and cash—welcome at over 3.6 million locations in 156 countries.

The Premier Visa Card also gives you access to cash in 137,000 locations worldwide. Plus travel insurance and emergency cash services. All combined with premium financial services provided by the bank that issues it.

So if value is measured by acceptance and preferred service, the Premier Visa Card carries more weight than any other card in the world.



Here's to more gin taste.



Here's to tastier gin and tonics. With Gilbey's. After all, why mix a gin drink if you can't taste the gin? Gilbey's. Superb gin taste that's worth a toast.